

September 16, 2005

Mrs. Diana Whitney  
State of Utah  
Division of Oil, Gas and Mining  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

RE: Application for Permit to Drill—Liberty Pioneer Energy Source  
**Lamb Trust #31-6**

1,821' FNL, 1,992 FWL, SE/4 NW/4, Section 31, T15S, R3E, SLB&M, Sanpete County, Utah

Dear Mrs. Whitney:

On behalf of Liberty Pioneer Energy Source (Liberty Pioneer), Buys & Associates, Inc. respectfully submits the enclosed original and two copies of the *Application for Permit to Drill (APD)* for the above referenced fee well. Included with the APD is the following supplemental information:

Exhibit "A" - Survey plat, layout and cross-sections of the proposed well site;

Exhibit "B" - Proposed location map with access corridor;

Exhibit "C" - Drilling Program

Exhibit "D" - Surface Use Plan

Exhibit "E" - The Ben Glade Lamb Family Living Trust Surface Use Agreement

Please accept this letter as Liberty Pioneer's written request for confidential treatment of all information contained in and pertaining to this application.

Thank you very much for your timely consideration of this application. Please feel free to contact myself or Daniel R. Gunnell of Liberty Pioneer at 801-224-4771 if you have any questions or need additional information.

Sincerely,

*Don Hamilton*

Don Hamilton  
Agent for Liberty Pioneer

cc: Lee Holmstead, Sanpete County  
Daniel R. Gunnell, Liberty Pioneer

SEP 22 2005

09/22/05 3:00 PM NW2

ORIGINAL

CONFIDENTIAL

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐  
(highlight changes)

<b>APPLICATION FOR PERMIT TO DRILL</b>				5. MINERAL LEASE NO: Patented	6. SURFACE: Fee
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
B. TYPE OF WELL: OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>				8. UNIT or CA AGREEMENT NAME: N/A	
2. NAME OF OPERATOR: Liberty Pioneer Energy Source				9. WELL NAME and NUMBER: Lamb Trust #31-6	
3. ADDRESS OF OPERATOR: 1527 N Tech Way, C 23 <sup>rd</sup> CITY Orem STATE UT ZIP 84097				PHONE NUMBER: (801) 224-4771	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1,821' FNL, 1,992 FWL, 445749X 39. 470236 AT PROPOSED PRODUCING ZONE: 1,821' FNL, 1,992 FWL, 4368942Y - 111.630694				10. FIELD AND POOL, OR WILDCAT: Wildcat	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 1.3 miles south of Wales, Utah				12. COUNTY: Sanpete	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 500'		16. NUMBER OF ACRES IN LEASE: 48		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) None		19. PROPOSED DEPTH: 4,898		20. BOND DESCRIPTION: pending	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5,526'		22. APPROXIMATE DATE WORK WILL START: 10/15/2005		23. ESTIMATED DURATION: 45 days	

24. PROPOSED CASING AND CEMENTING PROGRAM					
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
12"	8-5/8"	J-55	24#	800	see Drilling Plan
7-7/8"	5-1/2"	N-80	17#	4,898	see Drilling Plan
					well to be Plugged
					back to 4,000'

25. ATTACHMENTS	
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:	
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

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NAME (PLEASE PRINT) Don Hamilton TITLE Agent for Liberty Pioneer

SIGNATURE Don Hamilton DATE 9/16/2005

(This space for State use only)

API NUMBER ASSIGNED: 43-039-30027

(11/2001)

**Approved by the  
Utah Division of  
Oil, Gas and Mining**

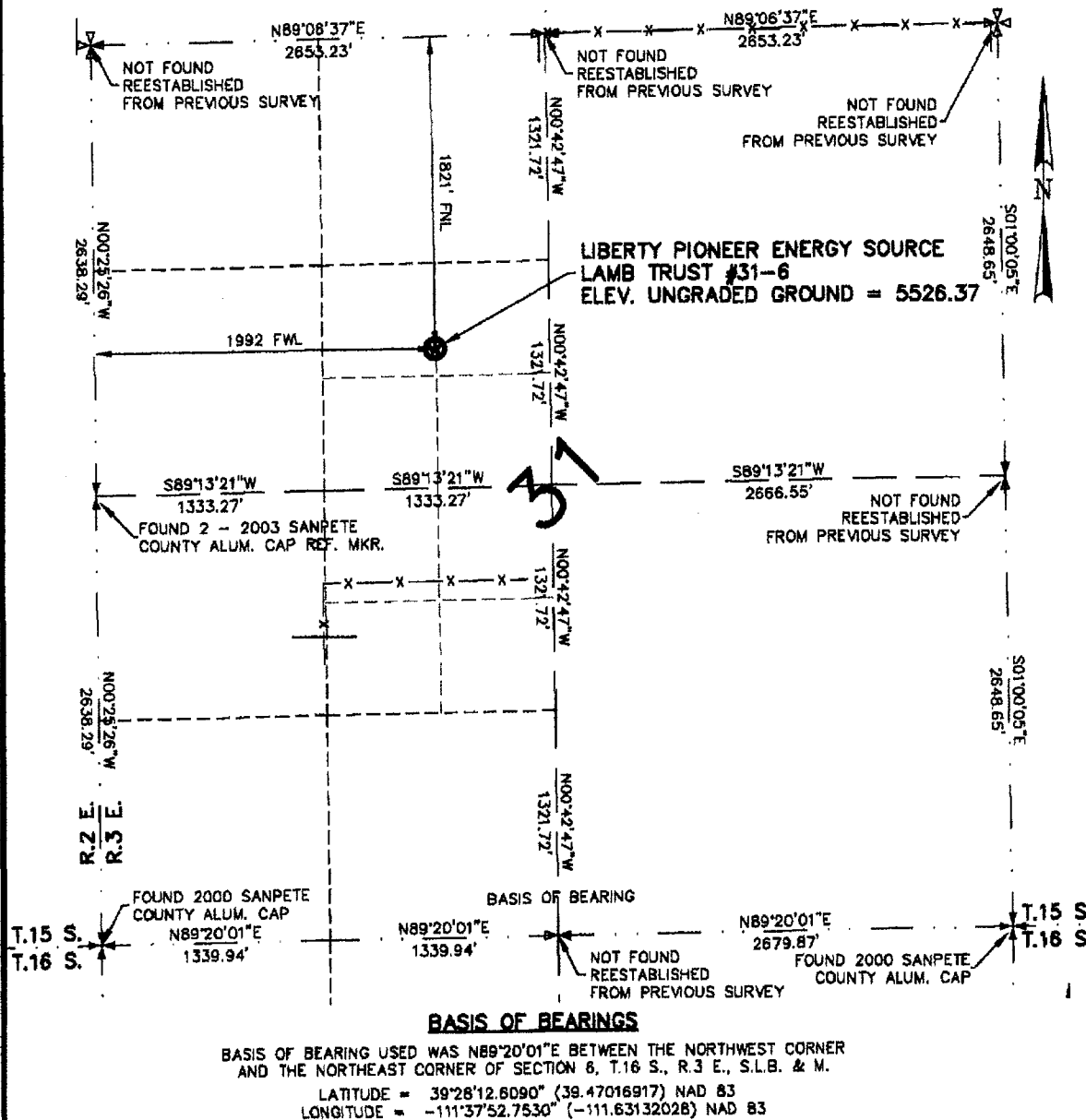
Date: 11-07-05  
By: [Signature]

(See Instructions on Reverse Side)

**RECEIVED**  
**SEP 22 2005**

DIV. OF OIL, GAS & MINING

# Section 31, T.15 S., R.3 E., S.L.B. & M.



# HALLIBURTON

**Liberty Pioneer Energy Source Inc**  
**1527 N Technology Way**  
**Orem, Utah 84097**

Lamb 31-6  
Wildcat Field  
Sanpete County, Utah  
United States of America  
API/UWI Sec. 31, T15S, R3E

## Cement Recommendation

Prepared for:  
October 28, 2005  
Version: 2

Submitted by:  
Rob Kruger  
Halliburton Energy Services  
Vernal Ut Us  
1085 E Main  
Vernal, Utah 84078  
+435.789.2550

**HALLIBURTON**

# HALLIBURTON

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*Halliburton appreciates the opportunity to present  
this proposal and looks forward to being of service to you.*

## **Foreword**

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Enclosed is our recommended procedure for cementing the casing strings in the referenced well. The information in this proposal includes well data, calculations, materials requirements, and cost estimates. This proposal is based on information from our field personnel and previous cementing services in the area.

Halliburton Energy Services recognizes the importance of meeting society's needs for health, safety, and protection of the environment. It is our intention to proactively work with employees, customers, the public, governments, and others to use natural resources in an environmentally sound manner while protecting the health, safety, and environmental processes while supplying high quality products and services to our customers.

We appreciate the opportunity to present this proposal for your consideration and we look forward to being of service to you. Our Services for your well will be coordinated through the Service Center listed below. If you require any additional information or additional designs, please feel free to contact myself or our field representative listed below.

Prepared by: \_\_\_\_\_  
John Jorgensen  
Procedure Analyst

Submitted by: \_\_\_\_\_  
Rob Kruger  
Account Leader

SERVICE CENTER:	Vernal Utah
SERVICE COORDINATOR:	Willis Lefevre
OPER. ENGINEER:	Rick Curtice
PHONE NUMBER:	(800)874-2550

***Job Information******8 5/8" Surface***

---

Christensen

6-6

12" Open Hole

0 - 800 ft (MD)

0 - 800 ft (TVD)

Inner Diameter

12.000 in

Job Excess

75 %

8 5/8" Surface

0 - 800 ft (MD)

0 - 800 ft (TVD)

Outer Diameter

8.625 in

Inner Diameter

8.097 in

Linear Weight

24 lbm/ft

Casing Grade

J-55

**Calculations****8 5/8" Surface**

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Spacer:

$$\begin{aligned}\text{Total Spacer} &= 112.29 \text{ ft}^3 \\ &= 20.00 \text{ bbl}\end{aligned}$$

Cement : (500.00 ft fill)

$$\begin{aligned}500.00 \text{ ft} * 0.3797 \text{ ft}^3/\text{ft} * 75 \% &= 332.20 \text{ ft}^3 \\ \text{Total Lead Cement} &= 332.20 \text{ ft}^3 \\ &= 59.17 \text{ bbl}\end{aligned}$$

$$\text{Sacks of Cement} = 187 \text{ sks}$$

Cement : (300.00 ft fill)

$$\begin{aligned}300.00 \text{ ft} * 0.3797 \text{ ft}^3/\text{ft} * 75 \% &= 199.32 \text{ ft}^3 \\ \text{Tail Cement} &= 199.32 \text{ ft}^3 \\ &= 35.50 \text{ bbl}\end{aligned}$$

Shoe Joint Volume: (40.00 ft fill)

$$\begin{aligned}40.00 \text{ ft} * 0.3576 \text{ ft}^3/\text{ft} &= 14.30 \text{ ft}^3 \\ &= 2.55 \text{ bbl}\end{aligned}$$

$$\begin{aligned}\text{Tail plus shoe joint} &= 213.62 \text{ ft}^3 \\ &= 38.05 \text{ bbl}\end{aligned}$$

$$\text{Total Tail} = 178 \text{ sks}$$

Total Pipe Capacity:

$$\begin{aligned}800.00 \text{ ft} * 0.3576 \text{ ft}^3/\text{ft} &= 286.07 \text{ ft}^3 \\ &= 50.95 \text{ bbl}\end{aligned}$$

Displacement Volume to Shoe Joint:

$$\begin{aligned}\text{Capacity of Pipe} - \text{Shoe Joint} &= 50.95 \text{ bbl} - 2.55 \text{ bbl} \\ &= 48.40 \text{ bbl}\end{aligned}$$

**Job Recommendation****8 5/8" Surface**

## Fluid Instructions

Fluid 1: Water Based Spacer

Gel Water Ahead

Fluid Density: 8.40 lbm/gal

Fluid Volume: 20 bbl

## Fluid 2: Lead Cement

Halliburton Light Premium

1 % Calcium Chloride (Accelerator)

0.25 lbm/sk Flocele (Lost Circulation Additive)

Fluid Weight 12.80 lbm/gal

Slurry Yield: 1.78 ft<sup>3</sup>/sk

Total Mixing Fluid: 9.43 Gal/sk

Top of Fluid: 0 ft

Calculated Fill: 500 ft

Volume: 59.17 bbl

Calculated Sacks: 186.53 sks

Proposed Sacks: 190 sks

## Fluid 3: Tail Cement

Premium Plus V Cement

94 lbm/sk Premium Plus V Cement (Cement)

2 % Calcium Chloride (Accelerator)

0.25 lbm/sk Flocele (Lost Circulation Additive)

Fluid Weight 15.60 lbm/gal

Slurry Yield: 1.20 ft<sup>3</sup>/sk

Total Mixing Fluid: 5.25 Gal/sk

Top of Fluid: 500 ft

Calculated Fill: 300 ft

Volume: 38.05 bbl

Calculated Sacks: 178.32 sks

Proposed Sacks: 180 sks

## Fluid 4: Water Spacer

Displacement

Fluid Density: 8.33 lbm/gal

Fluid Volume: 48.40 bbl



**HALLIBURTON**

**Job Procedure**

**8 5/8" Surface**

**Detailed Pumping Schedule**

Fluid #	Fluid Type	Fluid Name	Surface Density lbm/gal	Estimated Avg Rate bbl/min	Downhole Volume
1	Spacer	Gel Water Ahead	8.4	3.0	20 bbl
2	Cement	HLC	12.8	3.0	190 sks
3	Cement	Premium Plus V	15.6	3.0	180 sks
4	Spacer	Displacement	8.3	3.0	48.40 bbl

# HALLIBURTON

## Cost Estimate

8 5/8" Surface

### SAP Quote #0

Mtrl Nbr	Description	Qty	U/M	Unit Price	Gross Amt	Discount	Net Amt
7521	CMT SURFACE CASING BOM	1	JOB	0.00	0.00	30.0%	0.00
1	ZI-MILEAGE FROM NEAREST HES BASE,/UNIT Number of Units	510 1	MI	8.74	4,457.40	30.0%	3,120.18
2	MILEAGE FOR CEMENTING CREW,ZI Number of Units	510 1	MI	5.14	2,621.40	30.0%	1,834.98
16091	ZI - PUMPING CHARGE DEPTH FEET/METERS (FT/M)	1 800 FT	EA	4,406.00	4,406.00	30.0%	3,084.20
132	PORT. DAS W/CEMWIN;ACQUIRE W/HES, ZI NUMBER OF DAYS	1 1	JOB	1,472.00	1,472.00	30.0%	1,030.40
139	ADC (AUTO DENSITY CTRL) SYS, /JOB,ZI NUMBER OF UNITS	1 1	JOB	2,031.00	2,031.00	30.0%	1,421.70
10	FOOD AND LODGING, ZI NUMBER OF PERSONNEL ON JOB	1 4	DAY	583.00	2,332.00	0.0%	2,332.00
	<b>EQUIPMENT &amp; SERVICES</b>						
	<b>SubTotal</b>			<b>USD</b>	<b>17,319.80</b>	<b>25.96%</b>	<b>12,823.46</b>
201087	BA.QUIK-GEL - 50 LB BAG	4	BAG	48.43	193.72	30.0%	135.60
12311	HALLIBURTON LIGHT PREMIUM	190	SK	31.99	6,078.10	30.0%	4,254.67
100003684	PREMIUM PLUS V CEMENT	180	SK	38.49	6,928.20	30.0%	4,849.74
100005053	CALCIUM CHLORIDE HI TEST PLT	7	SK	224.10	1,568.70	30.0%	1,098.09
100005049	FLOCELE	93	LB	7.00	651.00	30.0%	455.70
76400	ZI MILEAGE,CMT MTLs DEL/RET MIN NUMBER OF TONS	255 17.39	MI	2.99	13,259.01	30.0%	9,281.31
3965	HANDLE&DUMP SVC CHRg, CMT&ADDITIVES,ZI NUMBER OF EACH	400 1	CF	4.90	1,960.00	30.0%	1,372.00
	<b>MATERIALS</b>						
	<b>SubTotal</b>			<b>USD</b>	<b>30,638.73</b>	<b>30.0%</b>	<b>21,447.11</b>
100004936	SHOE,FLT,8-5/8 8 RD,2-3/4 SUPER SEAL	1	EA	1,048.00	1,048.00	30.0%	733.60
100004805	CLR,FLT,8-5/8 8RD 24-44PPF,2-3/4SSII	1	EA	1,314.00	1,314.00	30.0%	919.80
100004628	CLAMP - LIMIT - 8-5/8 - HINGED -	1	EA	50.70	50.70	30.0%	35.49
100004484	CENTRALIZER ASSY - API - 8-5/8 CSG X	10	EA	174.00	1,740.00	30.0%	1,218.00
100005045	KIT,HALL WELD-A	1	EA	66.30	66.30	30.0%	46.41
101227839	PLUG,CMTG,TOP,8 5/8,HWE,7.20 MIN/8.09 MA	1	EA	339.00	339.00	30.0%	237.30
	<b>FLOAT EQUIPMENT</b>						
	<b>SubTotal</b>			<b>USD</b>	<b>4,558.00</b>	<b>30.0%</b>	<b>3,190.60</b>
7	ENVIRONMENTAL SURCHARGE,/JOB,ZI	1	JOB	120.00	120.00	0.0%	120.00
8	IRON SAFETY INSPECTION SURCHARGE /JOB ZI	1	JOB	74.00	74.00	0.0%	74.00
86955	ZI FUEL SURCHG-HEAVY TRKS >1 1/2 TON Number of Units	470 1	MI	0.40	188.00	0.0%	188.00
86954	ZI FUEL SURCHG-CARS/PICKUPS<1 1/2TON Number of Units	470 1	MI	0.13	61.10	0.0%	61.10
87605	ZI FUEL SURCHG-CMT & CMT ADDITIVES NUMBER OF TONS	235 17.39		0.13	531.26	0.0%	531.26

# HALLIBURTON

<u>Mtrl Nbr</u>	<u>Description</u>	<u>Qty</u>	<u>U/M</u>	<u>Unit Price</u>	<u>Gross Amt</u>	<u>Discount</u>	<u>Net Amt</u>
372867	Cmt PSL - DOT Vehicle Charge, CMT	2	EA	215.20	430.40	0.0%	430.40
432487	CMT, Bulk Cement Surcharge	370	EA	1.38	510.60	0.0%	510.60
	<b>SURCHARGES</b>						
	<b>SubTotal</b>			<b>USD</b>	<b>1,915.36</b>	<b>0.0%</b>	<b>1,915.36</b>
	<b>Total</b>			<b>USD</b>			<b>54,431.89</b>
	<b>Discount</b>			<b>USD</b>			<b>15,055.36</b>
	<b>Discounted Total</b>			<b>USD</b>			<b>39,376.53</b>

**Primary Plant:** Vernal, UT, USA  
**Secondary Plant:** Vernal, UT, USA

**Price Book Ref:** 01 Western US  
**Price Date:** 10/27/2005

***Job Information******Plug Back***

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Christensen

6-6

**8 5/8" Surface**

0 - 800 ft (MD)

0 - 800 ft (TVD)

Outer Diameter

8.625 in

Inner Diameter

8.097 in

Linear Weight

24 lbm/ft

Casing Grade

J-55

**7 7/8" Open Hole**

800 - 4898 ft (MD)

800 - 4898 ft (TVD)

Inner Diameter

7.875 in

**3 1/2" Drill Pipe**

0 - 4898 ft (MD)

0 - 4898 ft (TVD)

Outer Diameter

3.500 in

Inner Diameter

2.764 in

Linear Weight

13.30 lbm/ft

Tubing Grade

N-80

**Calculations****Plug Back**

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Spacer:

$$\begin{aligned} 331.99 \text{ ft} * 0.3382 \text{ ft}^3/\text{ft} * 0 \% &= 112.29 \text{ ft}^3 \\ \text{Total Spacer} &= 112.29 \text{ ft}^3 \\ &= 20.00 \text{ bbl} \end{aligned}$$

Cement : (898.00 ft fill)

$$\begin{aligned} 898.00 \text{ ft} * 0.3382 \text{ ft}^3/\text{ft} * 0 \% &= 303.74 \text{ ft}^3 \\ \text{Plug Cement} &= 303.74 \text{ ft}^3 \\ &= 54.10 \text{ bbl} \end{aligned}$$

$$\text{Total Pipe Capacity: (4898.00 ft MD)} = 55.37 \text{ ft}^3$$

## *Job Recommendation*

## *Plug Back*

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### Fluid Instructions

Fluid 1: Water Spacer

Water Ahead

Fluid Density: 8.33 lbm/gal  
Total Volume: 20 bbl  
Volume Ahead: 20 bbl

### Fluid 2: Plug Cement

Premium - AG

94 lbm/sk      Premium - AG (Cement-api)

Fluid Weight 15.80 lbm/gal  
Slurry Yield: 1.15 ft<sup>3</sup>/sk  
Total Mixing Fluid: 4.99 Gal/sk  
Top of Fluid: 4000 ft  
Calculated Fill: 898 ft  
Volume: 54.10 bbl  
Calculated Sacks: 265 sks  
Proposed Sacks: 265 sks

### Fluid 3: Water Spacer

Displacement

Fluid Density: 8.33 lbm/gal  
Total Volume: 20 bbl  
Volume Behind: 29 bbl

**HALLIBURTON**

***Job Procedure***

***Plug Back***

**Detailed Pumping Schedule**

Fluid #	Fluid Type	Fluid Name	Surface Density lbm/gal	Estimated Avg Rate bbl/min	Downhole Volume
1	Spacer	Water Ahead	8.3	5.0	17.34 bbl
2	Cement	Premium AG	15.8	5.0	265 sks
3	Spacer	Dislpacement	8.3	5.0	29 bbl

# HALLIBURTON

## Cost Estimate

## Plug Back

### SAP Quote #0

Mtrl Nbr	Description	Qty	U/M	Unit Price	Gross Amt	Discount	Net Amt
7530	CMT PLUG BACK BOM	1	JOB	0.00	0.00	30.0%	0.00
1	ZI-MILEAGE FROM NEAREST HES BASE,/UNIT Number of Units	470 1	MI	8.74	4,107.80	30.0%	2,875.46
2	MILEAGE FOR CEMENTING CREW,ZI Number of Units	470 1	MI	5.14	2,415.80	30.0%	1,691.06
16094	PLUG BACK/SPOT CEMENT OR MUD,ZI DEPTH FEET/METERS (FT/M)	1 4898 FT	EA	7,168.00	7,168.00	30.0%	5,017.60
132	PORT. DAS W/CEMWIN;ACQUIRE W/HES, ZI NUMBER OF DAYS	1 1	JOB	1,472.00	1,472.00	30.0%	1,030.40
139	ADC (AUTO DENSITY CTRL) SYS, /JOB,ZI NUMBER OF UNITS	1 1	JOB	2,031.00	2,031.00	30.0%	1,421.70
10	FOOD AND LODGING, ZI NUMBER OF PERSONNEL ON JOB	1 3	DAY	583.00	1,749.00	0.0%	1,749.00
<b>EQUIPMENT &amp; SERVICES</b>							
<b>SubTotal</b>				<b>USD</b>	<b>18,943.60</b>	<b>27.23%</b>	<b>13,785.22</b>
100003685	PREMIUM AG BULK CEMENT	265	SK	38.49	10,199.85	30.0%	7,139.89
76400	ZI MILEAGE,CMT MTLs DEL/RET MIN NUMBER OF TONS	235 12.46	MI	2.99	8,755.02	30.0%	6,128.51
3965	HANDLE&DUMP SVC CHRg, CMT&ADDITIVES,ZI NUMBER OF EACH	265 1	CF	4.90	1,298.50	30.0%	908.95
<b>MATERIALS</b>							
<b>SubTotal</b>				<b>USD</b>	<b>20,253.37</b>	<b>30.0%</b>	<b>14,177.35</b>
7	ENVIRONMENTAL SURCHARGE,/JOB,ZI	1	JOB	120.00	120.00	0.0%	120.00
8	IRON SAFETY INSPECTION SURCHARGE /JOB ZI	1	JOB	74.00	74.00	0.0%	74.00
86955	ZI FUEL SURCHG-HEAVY TRKS >1 1/2 TON Number of Units	470 1	MI	0.40	188.00	0.0%	188.00
86954	ZI FUEL SURCHG-CARS/PICKUPS<1 1/2TON Number of Units	470 1	MI	0.13	61.10	0.0%	61.10
87605	ZI FUEL SURCHG-CMT & CMT ADDITIVES NUMBER OF TONS	235 12.46		0.13	380.65	0.0%	380.65
372867	Cmt PSL - DOT Vehicle Charge, CMT	2	EA	215.20	430.40	0.0%	430.40
432487	CMT, Bulk Cement Surcharge	265	EA	1.38	365.70	0.0%	365.70
<b>SURCHARGES</b>							
<b>SubTotal</b>				<b>USD</b>	<b>1,619.85</b>	<b>0.0%</b>	<b>1,619.85</b>
<b>Total</b>				<b>USD</b>			<b>40,816.82</b>
<b>Discount</b>				<b>USD</b>			<b>11,234.40</b>
<b>Discounted Total</b>				<b>USD</b>			<b>29,582.42</b>

Primary Plant: Vernal, UT, USA  
Secondary Plant: Vernal, UT, USA

Price Book Ref: 01 Western US  
Price Date: 10/27/2005



***Job Information******5 1/2" Production***

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Christensen

6-6

**8 5/8" Surface**0 - 800 ft (MD)  
0 - 800 ft (TVD)

Outer Diameter

8.625 in

Inner Diameter

8.097 in

Linear Weight

24 lbm/ft

Casing Grade

J-55

**7 7/8" Open Hole**800 - 4000 ft (MD)  
800 - 4898 ft (TVD)

Inner Diameter

7.875 in

Job Excess

30 %

**5 1/2" Production**0 - 4000 ft (MD)  
0 - 4000 ft (TVD)

Outer Diameter

5.500 in

Inner Diameter

4.892 in

Linear Weight

17 lbm/ft

Casing Grade

N-80

**Calculations****5 1/2" Production**

Spacer:

$$\begin{aligned} 42.00 \text{ ft} * 0.1926 \text{ ft}^3/\text{ft} * 0 \% &= 8.09 \text{ ft}^3 \\ \text{Total Spacer} &= 56.15 \text{ ft}^3 \\ &= 10.00 \text{ bbl} \end{aligned}$$

Spacer:

$$\begin{aligned} 583.00 \text{ ft} * 0.1926 \text{ ft}^3/\text{ft} * 0 \% &= 112.28 \text{ ft}^3 \\ \text{Total Spacer} &= 112.29 \text{ ft}^3 \\ &= 20.00 \text{ bbl} \end{aligned}$$

Spacer:

$$\begin{aligned} 175.00 \text{ ft} * 0.1926 \text{ ft}^3/\text{ft} * 0 \% &= 33.70 \text{ ft}^3 \\ 100.00 \text{ ft} * 0.1733 \text{ ft}^3/\text{ft} * 30 \% &= 22.52 \text{ ft}^3 \\ \text{Total Spacer} &= 56.15 \text{ ft}^3 \\ &= 10.00 \text{ bbl} \end{aligned}$$

Cement : (3100.00 ft fill)

$$\begin{aligned} 3100.00 \text{ ft} * 0.1733 \text{ ft}^3/\text{ft} * 30 \% &= 698.22 \text{ ft}^3 \\ \text{Tail Cement} &= 698.22 \text{ ft}^3 \\ &= 124.36 \text{ bbl} \end{aligned}$$

Shoe Joint Volume: (40.00 ft fill)

$$\begin{aligned} 40.00 \text{ ft} * 0.1305 \text{ ft}^3/\text{ft} &= 5.22 \text{ ft}^3 \\ &= 0.93 \text{ bbl} \\ \text{Tail plus shoe joint} &= 703.44 \text{ ft}^3 \\ &= 125.29 \text{ bbl} \\ \text{Total Tail} &= 593 \text{ sks} \end{aligned}$$

Total Pipe Capacity:

$$\begin{aligned} 4000.00 \text{ ft} * 0.1305 \text{ ft}^3/\text{ft} &= 522.11 \text{ ft}^3 \\ &= 92.99 \text{ bbl} \end{aligned}$$

Displacement Volume to Shoe Joint:

$$\begin{aligned} \text{Capacity of Pipe - Shoe Joint} &= 92.99 \text{ bbl} - 0.93 \text{ bbl} \\ &= 92.06 \text{ bbl} \end{aligned}$$

**Job Recommendation****5 1/2" Production**

## Fluid Instructions

Fluid 1: Water Spacer

Water Ahead

Fluid Density: 8.33 lbm/gal

Fluid Volume: 10 bbl

Fluid 2: Reactive Spacer

Super Flush

Fluid Density: 9.20 lbm/gal

Fluid Volume: 20 bbl

Fluid 3: Water Spacer

Water Spacer

Fluid Density: 8.33 lbm/gal

Fluid Volume: 10 bbl

Fluid 4: Tail Cement

50/50 Poz Premium AG

2 % Total Bentonite (Light Weight Additive)

0.6 % Halad(R)-322 (Low Fluid Loss Control)

0.2 % Super CBL (Expander)

2 % Microbond (Expander)

0.25 lbm/sk Flocele (Lost Circulation Additive)

Fluid Weight 14.50 lbm/gal

Slurry Yield: 1.19 ft<sup>3</sup>/sk

Total Mixing Fluid: 5.06 Gal/sk

Top of Fluid: 900 ft

Calculated Fill: 3100 ft

Volume: 125.29 bbl

Calculated Sacks: 593.12 sks

Proposed Sacks: 595 sks

Fluid 5: Water Based Spacer

Displacent

Fluid Density: 8.33 lbm/gal

Fluid Volume: 92.06 bbl

**Detailed Pumping Schedule**

Fluid #	Fluid Type	Fluid Name	Surface Density lbm/gal	Estimated Avg Rate bbl/min	Downhole Volume
1	Spacer	Water Ahead	8.3	5.0	10 bbl
2	Spacer	Super Flush	9.2	5.0	20 bbl
3	Spacer	Water Spacer	8.3	5.0	10 bbl
4	Cement	50/50 Poz	14.5	5.0	595 sks
5	Spacer	Displacent	8.3	5.0	92.06 bbl

# HALLIBURTON

## Cost Estimate

## 5 1/2" Production

### SAP Quote #0

Mtrl Nbr	Description	Qty	U/M	Unit Price	Gross Amt	Discount	Net Amt
7523	CMT PRODUCTION CASING BOM	1	JOB	0.00	0.00	30.0%	0.00
1	ZI-MILEAGE FROM NEAREST HES BASE,/UNIT Number of Units	470 1	MI	8.74	4,107.80	30.0%	2,875.46
2	MILEAGE FOR CEMENTING CREW,ZI Number of Units	470 1	MI	5.14	2,415.80	30.0%	1,691.06
16091	ZI - PUMPING CHARGE DEPTH FEET/METERS (FT/M)	1 4000 FT	EA	5,459.00	5,459.00	30.0%	3,821.30
132	PORT. DAS W/CEMWIN;ACQUIRE W/HES, ZI NUMBER OF DAYS	1 1	JOB	1,472.00	1,472.00	30.0%	1,030.40
139	ADC (AUTO DENSITY CTRL) SYS, /JOB,ZI NUMBER OF UNITS	1 1	JOB	2,031.00	2,031.00	30.0%	1,421.70
10	FOOD AND LODGING, ZI NUMBER OF PERSONNEL ON JOB	1 4	DAY	583.00	2,332.00	0.0%	2,332.00
<b>EQUIPMENT &amp; SERVICES</b>							
<b>SubTotal</b>				<b>USD</b>	<b>17,817.60</b>	<b>26.07%</b>	<b>13,171.92</b>
100003639	HALLIBURTON SUPER FLUSH	20	SK	269.00	5,380.00	30.0%	3,766.00
12302	50-50 POZ (PREMIUM AG)	595	SK	29.55	17,582.25	30.0%	12,307.57
100003646	HALAD-322	294	LB	16.86	4,956.84	30.0%	3,469.79
100003669	MICROBOND ADDITIVE -	979	LB	4.08	3,994.32	30.0%	2,796.02
100003668	SUPER CBL	98	LB	64.60	6,330.80	30.0%	4,431.56
100005049	FLOCELE	149	LB	7.00	1,043.00	30.0%	730.10
76400	ZI MILEAGE,CMT MTLs DEL/RET MIN NUMBER OF TONS	235 25.72	MI	2.99	18,072.16	30.0%	12,650.51
3965	HANDLE&DUMP SVC CHRg, CMT&ADDITIVES,ZI NUMBER OF EACH	648 1	CF	4.90	3,175.20	30.0%	2,222.64
<b>MATERIALS</b>							
<b>SubTotal</b>				<b>USD</b>	<b>60,534.57</b>	<b>30.0%</b>	<b>42,374.19</b>
100004895	SHOE,FLOAT,5 1/2 8RD,2 3/4 SUPER SEAL	1	EA	680.00	680.00	30.0%	476.00
100004769	CLR,FLT,5-1/2 8RD,14-23PPF,2-3/4	1	EA	797.00	797.00	30.0%	557.90
100004624	CLAMP - LIMIT - 5-1/2 - HINGED -	1	EA	43.20	43.20	30.0%	30.24
100004476	CTRZR ASSY,5 1/2 CSG X 7 7/8 HOLE,HINGED	20	EA	130.00	2,600.00	30.0%	1,820.00
101237390	PLUG,CMTG,TOP,5 1/2,HWE,4.38 MIN/5.09 MA	1	EA	185.00	185.00	30.0%	129.50
100005045	KIT,HALL WELD-A	1	EA	66.30	66.30	30.0%	46.41
<b>FLOAT EQUIPMENT</b>							
<b>SubTotal</b>				<b>USD</b>	<b>4,371.50</b>	<b>30.0%</b>	<b>3,060.05</b>
7	ENVIRONMENTAL SURCHARGE,/JOB,ZI	1	JOB	120.00	120.00	0.0%	120.00
8	IRON SAFETY INSPECTION SURCHARGE /JOB ZI	1	JOB	74.00	74.00	0.0%	74.00
86955	ZI FUEL SURCHG-HEAVY TRKS >1 1/2 TON Number of Units	470 1	MI	0.40	188.00	0.0%	188.00
86954	ZI FUEL SURCHG-CARS/PICKUPS<1 1/2TON Number of Units	470 1	MI	0.13	61.10	0.0%	61.10
87605	ZI FUEL SURCHG-CMT & CMT ADDITIVES	235		0.13	785.75	0.0%	785.75

# HALLIBURTON

<u>Mtrl Nbr</u>	<u>Description</u>	<u>Qty</u>	<u>U/M</u>	<u>Unit Price</u>	<u>Gross Amt</u>	<u>Discount</u>	<u>Net Amt</u>
	NUMBER OF TONS	25.72					
372867	Cmt PSL - DOT Vehicle Charge, CMT	3	EA	215.20	645.60	0.0%	645.60
432487	CMT, Bulk Cement Surcharge	595	EA	1.38	821.10	0.0%	821.10
	<b>SURCHARGES</b>						
	<b>SubTotal</b>			<b>USD</b>	<b>2,695.55</b>	<b>0.0%</b>	<b>2,695.55</b>
	<b>Total</b>			<b>USD</b>			<b>85,419.22</b>
	<b>Discount</b>			<b>USD</b>			<b>24,117.51</b>
	<b>Discounted Total</b>			<b>USD</b>			<b>61,301.71</b>

**Primary Plant:** Vernal, UT, USA  
**Secondary Plant:** Vernal, UT, USA

**Price Book Ref:** 01 Western US  
**Price Date:** 10/27/2005

## **Conditions**

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The cost in this analysis is good for the materials and/or services outlined within. These prices are based on Halliburton being awarded the work on a first call basis. Prices will be reviewed for adjustments if awarded on 2<sup>nd</sup> or 3<sup>rd</sup> call basis and/or after 30 days of this written analysis. This is in an effort to schedule our work and maintain a high quality of performance for our customers.

The unit prices stated in the proposal are based on our current published prices. The projected equipment, personnel, and material needs are only estimates based on information about the work presently available to us. At the time the work is actually performed, conditions then existing may require an increase or decrease in the equipment, personnel, and/or material needs. Charges will be based upon unit prices in effect at the time the work is performed and the amount of equipment, personnel, and/or material actually utilized in the work. Taxes, if any, are not included. Applicable taxes, if any, will be added to the actual invoice.

It is understood and agreed between the parties that with the exception of the subject discounts, all services performed and equipment and materials sold are provided subject to Halliburton's General Terms and Conditions contained in our current price list, (which include LIMITATION OF LIABILITY and WARRANTY provisions), and pursuant to the applicable Halliburton Work Order Contract (whether or not executed by you), unless a Master Service and/or Sales Contract applicable to the services, equipment, or materials supplied exists between your company and Halliburton, in which case the negotiated Master Contract shall govern the relationship between the parties. A copy of the latest version of our General Terms and Conditions is available from your Halliburton representative or at:

[http://www.halliburton.com/hes/general\\_terms\\_conditions.pdf](http://www.halliburton.com/hes/general_terms_conditions.pdf) for your convenient review, and we would appreciate receiving any questions you may have about them. Should your company be interested in negotiating a Master Contract with Halliburton, our Law Department would be pleased to work with you to finalize a mutually agreeable contract. In this connection, it is also understood and agreed that Customer will continue to execute Halliburton usual field work orders and/or tickets customarily required by Halliburton in connection with the furnishing of said services, equipment, and materials.

Any terms and conditions contained in purchase orders or other documents issued by the customer shall be of no effect except to confirm the type and quantity of services, equipment, and materials to be supplied to the customer.

If customer does not have an approved open account with Halliburton or a mutually executed written contract with Halliburton, which dictates payment terms different than those set forth in this clause, all sums due are payable in cash at the time of performance of services or delivery of equipment, products, or materials. If customer has an approved open account, invoices are payable on the twentieth day after date of invoice.

Customer agrees to pay interest on any unpaid balance from the date payable until paid at the highest lawful contract rate applicable, but never to exceed 18% per annum. In the event Halliburton employs an attorney for collection of any account, customer agrees to pay attorney fees of 20% of the unpaid account, plus all collection and court costs.

### DRILLING PROGRAM

OPERATOR: LIBERTY PIONEER ENERGY SOURCE  
LEASE NAME: LAMB TRUST #31-6  
LEASE NUMBER: FEE  
LOCATION: 1,821' FNL - 1,992' FWL: SE/4 NW/4 SECTION 31 - T15S - R3E, SLB&M,  
SANPETE COUNTY, UT.

IF THE WELL IS UNPRODUCTIVE / NON-COMMERCIAL IT WILL BE PLUGGED ACCORDING TO STATE OF UTAH REQUIREMENTS, AND THE SURFACE WILL BE RESTORED ACCORDING TO LAND OWNERS REQUIRMENTS.

#### 1. ESTIMATED TOPS OF GEOLOGIC MARKER:

THE ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS ARE AS FOLLOWS:

<u>FORMATION</u>	<u>DEPTH (FT)</u>	<u>SUBSEA (FT)</u>
VALLEY FILL	0 - 100	
GREEN RIVER	100 - 340	
COLTON	340 - 720	
FLAGSTAFF	720 - 938	
NORTH HORN	938 - 1800	
SANPITCH	1800 - 2056	
MORRISON	2056 - 2832	
SUMMERVILLE	2832 - 3186	
CURTIS	3186 - 3498	
ENTRADA	3498 - 4448	
CARMEL	4448 - 4898	
PLUG BACK T.D.	4000	

#### 2. ESTIMATED DEPTHS OF ANTICIPATED OIL, GAS, WATER, OR OTHER MINERAL BEARING ZONES

<u>SUBSTANCE</u>	<u>FORMATION</u>	<u>DEPTH (FT)</u>
WATER, OIL	SANPITCH	1800 - 2056
WATER, OIL	CURTIS	3186 - 3498
WATER, OIL	ENTRADA	3498 - 4448
OTHER MINERALS	N/A	

ALL FRESH WATER AND PROSPECTIVELY VALUABLE MINERALS ENCOUNTERED DURING DRILLING, WILL BE RECORDED BY DEPTH AND ADEQUATELY PROTECTED. ALL OIL AND GAS SHOWS WILL BE TESTED TO DETERMINE COMMERCIAL POTENTIAL.

ALL WATER SHOWS AND WATER - BEARING SANDS WILL BE REPORTED TO THE STATE OF UTAH, ON FORM OGC-8-X.

#### 3. CASING PROGRAM

THE PROPOSED CASING PROGRAM WILL BE AS FOLLOWS:

<u>PROPOSE</u>	<u>DEPTH(FT.)</u>	<u>HOLE(IN.)</u>	<u>O.D. (IN.)</u>	<u>WEIGHT (#./FT)</u>	<u>GRADE</u>
SURFACE	0 - 800	12	8-5/8	24	J-55
PRODUC.	0 - 4000	7-7/8	5-1/2	17	N-80

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#### 4. CEMENT PROGRAM

THE CEMENT PROGRAM WILL BE AS FOLLOWS:

##### SURFACE TYPE AND AMOUNT

0 - 800' CEMENT TO SURFACE WITH:  
LEAD: 274 SKS OF 50:50 CLASS "G" CEMENT POZ, 10% CAL-SEAL, 1% CALCIUM CHLORIDE AND 0.25 LBS/SK LCM  
SLURRY YIELD: 1.25 CUBIC FEET/SACK  
SLURRY WEIGHT: 14.50 LB/GAL  
  
TAIL: 96 SKS OF CLASS "G" CEMENT, 2% CALCIUM CHLORIDE, 0.25 LCM  
SLURRY YIELD: 1.19 CUBIC FEET/SACK  
SLURRY WEIGHT: 15.60 LB/GAL  
  
SHOE: 21 SKS OF CLASS "G" CEMENT, 2% CALCIUM CHLORIDE, 0.25 LCM  
SLURRY YIELD: 1.19 CUBIC FEET/SACK  
SLURRY WEIGHT: 15.60 LB/GAL

##### PRODUCTION TYPE AND AMOUNT

0 - 4000' CEMENT TO SURFACE WITH:  
350 SKS OF CEMENT TO 1500 FEET PREMIUM PRODUCTION CLASS "G" 3% CFR, 0.25 LBS/SK LCM, 5% HALAD, 2% GEL, 2% MICRBOND, 0.2% SUPER GEL  
  
SLURRY YIELD: 1.44 CUBIC FEET/SACK  
  
SLURRY WEIGHT: 14.50 LBS/GAL.  
  
FILL HOLE FROM TD ( $\pm 4898'$ ) TO PBD ( $\pm 4000'$ ) WITH CEMENT

#### 5. DRILLING FLUIDS

ALL WATER WILL BE PURCHASED FROM THE CITY OF WALES, UTAH OR FROM THE LAND OWNER.

THE PROPOSED CIRCULATING MEDIUMS TO BE EMPLOYED IN DRILLING ARE AS FOLLOWS:

<u>INTERVAL</u>	<u>MUD TYPE</u>	<u>MUD WT. (PPG)</u>	<u>FLUID LOSS</u>	<u>VISC.</u>
0 - 1500'	FRESH WATER GEL	8.6 - 9.0	NATURAL	30-45
1500' - 2500'	LSND	8.7 - 9.0	10 -12 CC'S	34-40
2500' - 4896'	3% KCL	8.7 - 9.2	10 CC/LESS	34-50

#### 6. TESTING, LOGGING AND CORING

THE ANTICIPATED TYPE AND AMOUNT OF TESTING, LOGGING AND CORING ARE AS FOLLOWS:

- A. TWO DRILL STEM TESTS ARE PLANNED; ONE IN THE SANPITCH AT 2000 FEET AND ONE IN THE CURTIS AT 3186 FEET.
- B. THE LOGGING PROGRAM WILL CONSIST OF A SP-HRIL-DEN-NEU-GR-BOREHOLE COMP LOG WILL BE RUN FROM T.D. TO SURFACE.
- C. NO CORES ARE PLANNED

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**7. SPUD DATE/DRILLING TIME**

- A. DRILLING IS PLANNED TO COMENCE UPON APPROVAL OF THE APD. THE ESTIMATED SPUD DATE IS **JULY 25, 2005**. DRILLING WILL CONTINUE AFTER SPUDDING UNTIL T.D. IS REACHED.
- B. IT IS ATICIPATED THAT DRILLING WILL TAKE APPROXIMATELY 45 DAYS.

**8. ROAD USE / WATER SOURCE**

- A. ALL ACCESS IS LOCATED ON STATE, COUNTY OR PRIVATE ROADS.
- B. AT THE REQUEST OF THE SURFACE OWNER, ANY ACCESS ROADS CONSTRUCTED ON PRIVATE LANDS WILL BE LEFT AFTER THE DRILLING OF THE WELL, AND WILL NOT BE RECLAIMED IF THE WELL ECONOMICALLY PRODUCES OIL OR GAS. IF THE WELL IS NOT PORDUCTIVE, THE WELL PAD AND ACCESS ROAD WILL BE RECLAIMED TO ITS ORIGINAL CONDITION.
- C. WATER FOR DRILLING WILL BE PURCHASED FROM THE CITY OF WALES, UTAH, A LOCAL MUNICIPLE SOURCE OF CULINARY WATER OR WILL BE OBTAINED FROM A LOCAL WATER HAULER, WHO WILL OBTAIN IT FROM LOCAL SOURCES.
- D. ADDITIONAL WATERS, IF AVAILABLE, WILL BE PROPERLY AND LEGALLY OBTAINED ACCORDING TO STATE WATER LAWS.

**9. BOP EQUIPMENT**

BOP MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL EQUIPMENT ARE AS FOLLOWS:

RAM TYPE: 11" HYDRAULIC DOUBLE, 5000 PSI W.P.

RAM TYPE PREVENTERS AND ASSOCIATED EQUIPMENT SHALL BE TESTED TO APPROVED STACK WORKING PRESSURE IF ISOLATED BY TEST PLUG OR 70 PERCENT OF INTERNAL YIELD PRESSURE OF CASING. PRESSURE SHALL BE MAINTAINED FOR AT LEAST 10 MINUTES OR UNTIL REQUIRMENTS OF TEST ARE MET, WHICHEVER IS LONGER. IF A TEST PLUG IS UTILIZED, NO BLEED-OFF PRESSURE IS ACCEPTABLE. FOR A TEST NOT UTILIZING A TEST PLUG, IF A DECLINE IN PRESSURE OF MORE THAN 10 PERCENT IN 30 MINUTES OCCURS, THE TEST SHALL BE CONSIDERED TO HAVE FAILED. A VALVE ON THE CASING HEAD BELOW TEST PLUG SHALL BE OPEN DURING THE BOP STACK TEST.

AS A MINNIMUM, THE ABOVE TEST SHALL BE PERFORMED:

- A. WHEN INTIALLY INSTALLED
- B. WHENEVER ANY SEAL SUBJECT TO TEST PRESSURE IS BROKEN
- C. FOLLOWING RELEATED REPAIRS
- D. AT 30 DAY INTERVALS

VALVES SHALL BE TESTED FROM WORKING PRESSURE SIDE DURING BOPE TESTS WITH ALL DOWNSTREAM VALVES OPEN.

WHEN TESTING THE KILL LINE VALVE(S), THE CHECK VALVE SHALL BE HELD OPEN OR THE BALL REMOVED.

PIPE AND BLIND RAMS SHALL BE ACTIVATED EACH TRIP, HOWEVER, THIS FUNCTION NEED NOT BE PERFORMED MORE THAN ONCE A DAY.

A BOPE PIT LEVEL DRILL SHALL BE CONDUCTED WEEKLY FOR EACH DRILLING CREW.

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PRESSURE TESTS SHALL APPLY TO ALL RELATED WELLCONTROL EQUIPMENT.

ALL OF THE ABOVE DESCRIBED TESTS AND/OR DRILLS SHALL BE RECORDED IN THE DRILLING LOG. TEST CHARTS, WITH INDIVIDUAL TEST RESULTS IDENTIFIED SHALL BE MAINTAINED ON LOCATION WHILE DRILLING AND SHALL BE MADE AVAILABLE TO A STATE OR BLM REPRESENTATIVE UPON REQUEST. PRESSURE TESTS SHALL APPLY TO ALL RELATED WELL CONTROL EQUIPMENT.

BOP SYSTEMS SHALL BE CONSISTENT WITH API RP53. PRESSURE TESTS WILL BE CONDUCTED BEFORE DRILLING OUT FROM UNDER CASING STRINGS WHICH HAVE BEEN SET AND CEMENTED IN PLACE. BLOWOUT PREVENTOR CONTROLS WILL BE INSTALLED PRIOR TO DRILLING THE SURFACE CASING PLUG AND WILL REMAIN IN USE UNTIL THE WELL IS COMPLETED OR ABANDONED. PREVENTERS WILL BE INSPECTED AND OPERATED AT LEAST DAILY TO ENSURE GOOD MECHANICAL WORKING ORDER, AND THIS INSPECITON WILL BE RECORDED ON THE DAILY DRILLING REPORT. PREVENTERS WILL BE PRESSURE TESTED BEFORE DRILLING CASING CEMENT PLUGS.

- A. THE SIZE AND RATING OF THE BOP STACK IS SHOWN ON THE ATTACHED DIAGRAM. THE RIG CHOSEN TO DRILL THIS WELL IS EQUIPED WITH AN 11" - 5000PSI WORKING PRESSURE BLOWOUT PREVENTER. IF THE RIG'S BOP FAILS THE ABOVE TESTING PROCEDURES A BOP WILL BE LEASED FROM A SERVICE COMPANY THAT WILL BENCH TEST THE BOP STACK PRIOR TO SHIPPING IT TO THE DRILLING LOCATION. THE RENTED BOP WILL THEN BE SUBJECTED TO THE ABOVE TESTING PROCEDURES.
- B. A CHOKE LINE AND A KILL LINE ARE TO BE PROPERLY INSTALLED. "THE KILL LINE IS NOT TO BE USED AS A FILL UP LINE."
- C. THE ACCUMULATOR SYSTEM SHALL HAVE A PRESSURE CAPACITY TO PROVIDE FOR REPEATED OPERATION OF HYDRAULIC PREVENTORS.
- D. DRILL STRING SAFETY VALVES, TO FIT ALL TOOLS IN THE DRILL STRING ARE TO BE MAINTAINED ON THE RIG FLOOR WHILE DRILLING OPERATIONS ARE IN PROGRSS.

**10. ABNORMAL PRESSURES AND H<sup>2</sup>S GAS**

- A. NO ABNORMAL CONDITIONS ARE ANTICIPATED: FORMATION IS SLIGHTLY OVER-PRESSURED. THE ESTIMATED BOTTOM-HOLE PRESSURE IS 1000 PSI. NO ABNORMAL TEMPERATURES ARE ANTICIPATED.
- B. NO HYDROGEN SULFIDE GAS IN ANTICIPATED, HOWEVER, WIND DIRECTION FLAGING WILL BE USED TO DETERMINE CURRENT WIND DIRECTION.

**11. SURFACE OWNERSHIP**

**THE SURFACE OWNER OFR THIS DRILLSITE IS:**

**The Ben Glade Lamb Family Living Trust  
7521 Sunrose Dr. NW  
Albuquerque, NM 87120**

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12. LESSEE'S OR OPERATORS REPRESENTATIVE

PERMIT MATTERS

Daniel R. Gunnell

Liberty Pioneer Energy Source  
1527 North Technology Way  
Building C, Suite 2300  
Orem, UT 84097

DRILLING AND COMPLETIONS MATTERS

Daniel R. Gunnell

Liberty Pioneer Energy Source.  
1527 North Technology Way  
Building C, Suite 2300  
Orem, UT 84097

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### **THIRTEEN POINT SURFACE USE PLAN**

OPERATOR: LIBERTY PIONEER ENERGY SOURCE  
LEASE NAME: LAMB TRUST #31-6

LEASE NUMBER: FEE

LOCATION: 1821' FNL - 1,992' FWL: SE/4 NW/4 SECTION 31 - T15S - R3E, SLB&M,  
SANPETE COUNTY, UT.

#### **1. EXISTING ROADS**

- A. THE PROPOSED WELL SITE IS LOCATED APPROXIMATELY 1.3 MILES SOUTH OF WALES, UT.
- B. DIRECTIONS FROM WALES, UT ARE AS FOLLOWS: STARTING FROM THE SOUTH END OF WALES ON 200 WEST, WHERE THE ASPHALT ROAD ENDS PROCEED SOUTH 1.3 MILES ON THE WEST SIDE ROAD. TURN LEFT AT THE GATE AND PROCEED 0.4 MILES TO LOCATION.  
  
**THE ALTERNATIVE ROUTE:** FROM JUNCTION 132 IN CHESTER, UT WHERE HIGHWAY 132 INTERSECTS HIGHWAY 117 PROCEED WEST ON HIGHWAY 117, 3.8 MILES. TURN LEFT ONTO THE WEST SIDE ROAD, A GRAVEL ROAD. TURN RIGHT AND TRAVEL 1 MILE, AT THE GATE TURN LEFT ONTO THE WELL SITE ACCESS ROAD. TRAVEL 0.4 MILES TO LOCATION.
- C. NO MINOR IMPROVEMENTS, GRADING ETC. WILL BE NECESSARY ON EXISTING ACCESS ROAD.
- D. THE EXISTING ACCESS ROAD WILL BE MAINTAINED IN GOOD REPAIR DURING ALL DRILLING AND COMPLETION OPERATIONS ASSOCIATED WITH THIS WELL.
- E. EXISTING ROADS AND THE EXISTING ACCESS ROAD UNDER THE JURISDICTION OF ANY SURFACE MANAGING AGENCY SHALL BE MAINTAINED IN ACCORDANCE WITH THE STANDARDS OF S.M.A.
- F. A SURFACE USE AGREEMENT WITH THE BEN GLADE LAMB FAMILY LIVING TRUST, SURFACE OWNER, HAS BEEN NEGOTIATED FOR RIGHT OF WAY USE AND THE EXISTING ACCESS ROAD. THE AGREEMENT HAS BEEN ATTACHED AS EXHIBIT "E".

#### **2. PLANNED ACCESS ROAD**

- A. APPROXIMATELY 2000 FEET OF ACCESS ROAD ON FEE GROUND IS PLANNED FOR THE SUBJECT WELL. THE ROAD WILL BE FLATGRADED WITH A RUNNING SURFACE WIDTH OF APPROXIMATELY 14 FEET. IF NECESSARY APPROPRIATE WATER CONTROL CULVERTS WILL BE INSTALLED TO CONTROL EROSION. CONSTRUCTION WILL NOT CHANGE THE EXISTING DRAINAGE. 1.5 FEET OF ADDITIONAL DIRT WILL BE LAYED OVER ALL UNDER GROUND WATER SUPPLY AND GAS SUPPLY LINES CROSSING THE ACCESS ROAD.
- B. THE ROAD WILL BE UPGRADED AND MAINTAINED AS REQUIRED BY THE S.M.A.
- C. MAXIMUM GRADE WILL BE 4%
- D. TURNOUTS WILL BE CONSTRUCTED AS REQUIRED BY S.M.A.
- E. LOW WATER CROSSINGS WILL BE INSTALLED ALONG THE ACCESS WHERE NEEDED
- F. SURFACING MATERIAL WILL BE DEPENDENT UPON S.M.A. REQUIREMENTS

- G. GATES WILL BE INSTALLED AS NECESSARY, AS PER SURFACE USE AGREEMENT WITH SURFACE OWNER
- H. SURFACE DISTURBANCE AND VEHICULAR TRAVEL WILL BE LIMITED TO THE APPROVED LOCATION AND APPROVED ACCESS ROUTE. ANY ADDITIONAL AREA NEEDED WILL BE APPROVED IN ADVANCE.

**3. LOCATION OF EXISTING WELLS WITHIN A 1-MILE RADIUS OF THE PROPOSED LOCATION**

- A. WATER WELLS: NONE
- B. INJECTION WELLS: NONE
- C. PRODUCING WELLS: NONE
- D. DRILLING WELLS: NONE

**4. LOCATION OF TANK BATTERIES AND PRODUCTION FACILITIES**

- A. ALL PERMANENT STRUCTURES (ONSITE FOR SIX MONTHS OR LONGER) CONSTRUCTED OR INSTALLED (INCLUDING OIL WELL PUMP JACKS) WILL BE PAINTED A NEUTRAL COLOR TO BLEND WITH THE SURROUNDING ENVIRONMENT. FACILITIES REQUIRED TO COMPLY WITH THE OCCUPATIONAL SAFETY AND HEALTH ACT (OSHA) WILL BE EXCLUDED.
- B. IF STORAGE FACILITIES/TANK BATTERIES ARE CONSTRUCTED ON THIS LEASE, THE FACILITY/BATTERY OR WELLPAD SHALL BE SURROUNDED BY A CONTAINMENT DIKE. THIS CONTAINMENT DIKE WILL BE OF SUFFICIENT CAPACITY TO CONTAIN AT A MINIMUM, ONE AND ONE-HALF TIMES THE ENTIRE CONTENTS OF THE LARGEST TANK WITHIN THE FACILITY/BATTERY, UNLESS MORE STRINGENT PROTECTIVE REQUIREMENTS ARE DEEMED NECESSARY AND APPROPRIATE BY THE AUTHORIZED OFFICER.
- C. ALL LOADING LINES WILL BE PLACED INSIDE THE BERM SURROUNDING THE TANK BATTERY.
- D. GAS MEASUREMENT DEVICES WILL BE LOCATED IN ACCORDANCE WITH THE REGULATORY BODY.
- E. ALL METER MEASUREMENT FACILITIES WILL CONFORM WITH ONSHORE OIL AND GAS ORDER NO. 4 FOR LIQUID HYDROCARBONS AND ONSHORE OIL AND GAS ORDER NO. 5 FOR NATURAL GAS MEASUREMENT.
- F. A SUNDRY NOTICE WILL BE SUBMITTED SHOWING PLACEMENT OF ALL PRODUCTION FACILITIES PRIOR TO CONSTRUCTION.
- G. ALL NECESSARY PITS WILL BE PROPERLY FENCED TO PREVENT ANY DOMESTIC ANIMALS OR WILDLIFE ENTRY.
- H. ALL SITE SECURITY GUIDELINES IDENTIFIED IN 43 CFR 3162.7 WILL BE ADHERED TO
- I. ALL OFF-LEASE STORAGE, OFF LEASE MEASUREMENT, OR COMMINGLING ON-LEASE OR OFF-LEASE WILL HAVE PRIOR WRITTEN APPROVAL FROM THE AUTHORIZED OFFICER AND LAND OWNER.
- J. ALL ACCESS ROADS WILL BE MAINTAINED AS NECESSARY TO PREVENT EROSION AND ACCOMMODATE YEAR-ROUND TRAFFIC.
- K. THE ROAD WILL BE MAINTAINED IN A SAFE USEABLE CONDITION.

- L. WATER PRODUCED DURING THE TEST PHASE OF THIS WELL WILL BE STORED IN STORAGE TANKS ON LOCATION AND HAULED TO AN APPROVED DISPOSAL SITE. IF THE PROJECT IS VIABLE BASED ON TEST RESULTS, A DISPOSAL METHOD WILL BE SUBMITTED.

**5. LOCATION AND TYPE OF WATER SUPPLY**

- A. ALL WATER REQUIRED FOR DRILLING PURPOSES WILL BE OBTAINED FROM A LOCAL SOURCE.
- B. WATER WILL BE HAULED TO THE LOCATION OVER THE ACCESS ROAD MARKED ON ATTACHED MAPS.
- C. NO WATER WELL IS TO BE DRILLED ON THIS LEASE, WITHOUT PROPER APPROVAL OF DIVISION OF WATER RIGHTS.
- D. ALL APPROPRIATE PERMITS WILL BE FILED WITH THE DIVISION OF WATER RIGHTS.

**6. SOURCES OF CONSTRUCTION MATERIAL**

- A. SURFACE AND SUBSOIL MATERIALS IN THE IMMEDIATE AREA WILL BE UTILIZED.
- B. ANY GRAVEL USED WILL BE OBTAINED FROM A COMERCIAL SOURCE.

**7. METHOD OF HANDLING WASTE DISPOSAL**

- A. THE PROPOSED WELL WILL BE DRILLED WITH MUD, THERFORE A RESERVE PIT WILL BE NECESSARY. THE RESERVE PIT WILL BE CONSTRUCTED SO AS NOT TO LEAK, BREAK, OR ALLOW DISCHARGE. THE RESERVE PIT WILL BE LINED IF DETERMINED NECESSARY AT THE TIME OF CONSTRUCTION.
- B. THE PIT SHALL BE LINED. A PLASTIC NYLON REINFORCED LINER WILL BE USED. IT WILL BE A MINIMUM OF 12 MIL THICKNESS WITH SUFFICIENT BEDDING (EITHER STRAW OR DIRT) TO COVER ANY ROCKS. THE LINER WILL OVERLAP THE PIT WALLS AND BE COVERED WITH DIRT AND / OR ROCKS TO HOLD IT IN PLACE. NO TRASH, SCRAP PIPE, ETC. THAT COULD PUNCTURE THE LINER WILL BE DISPOSED OF IN THE PIT.
- C. ALL TRASH WILL BE CONTAINED IN A TRASH CAGE. ITS CONTENTS REMOVED PERIODICALLY AND AT THE END OF DRILLING OPERATIONS AND HAULED TO AN APPROVED DISPOSAL SITE.
- D. AFTER FIRST PRODUCTION, PRODUCED WATER WILL BE CONFINED TO A STORAGE TANK FOR A PERIOD NOT TO EXCEED NINETY (90) DAYS. DURING THE 90-DAY PERIOD, IN ACCORDANCE WITH ONSHORE ORDER NO. 7 AN APPLICATION FOR APPROVAL OF A PERMANENT DISPOSAL METHOD AND LOCATION, ALONG WITH THE REQUIRED WATER ANALYSIS, WILL BE SUBMITTED FOR APPROVAL.
- E. IF THE WELL IS COMMERCIAL DRILL CUTTING ARE TO BE CONTAINED AND BURIED IN THE RESERVE PIT. IF THE WELL IS PLUGGED AND ABANDONED THE DRILLCUTTINGS WILL BE HAULED TO AN APPROVED DISPOSAL SITE.
- F. ANY SALTS AND/OR CHEMICALS WHICH ARE AN INTEGRAL PART FO THE DRILLING SYSTEM, WILL BE DISPOSED OF IN THE SAME MANNER AS THE DRILLING FLUID.
- G. SEWAGE WILL BE PLACED IN A PORTABLE CHEMICAL TOILET OR HOLDING TANK AND DISPOSED OF IN ACCORDANCE WITH STATE AND COUNTY REGULATIONS.

- H. THE PRODUCED FLUIDS WILL BE PRODUCED INTO A TEST TANK UNTIL SUCH TIME AS CONSTRUCTION OF PRODUCTION FACILITIES IS COMPLETED. ANY SPILLS OF OIL, GAS, SALT-WATER OR OTHER PRODUCED FLUIDS WILL BE PROMPTLY CLEANED UP.

**8. ANCILLARY FACILITIES**

- A. THERE ARE NO AIRSTRIPS, CAMPS, OR OTHER FACILITIES PLANNED DURING THE DRILLING OF THE PROPOSED WELL.

**9. WELL SITE LAYOUT**

- A. THE RESERVE PIT WILL BE LOCATED ON THE EAST SIDE OF THE LOCATION.
- B. THE STOCKPILED TOPSOIL (FIRST SIX INCHES) WILL BE STORED ALONG THE EAST AND SOUTH SIDE OF THE WELLPAD AS SHOWN ON THE RIG LAYOUT.
- C. THERE WILL BE EIGHT FEET OF CUT AND FILL ACROSS THE DRILLSITE FROM WEST TO EAST.
- D. THE RIG ORIENTATION, LOCATION OF MUD TANKS, RESERVE PIT, TRASH CAGE, PIPE RACKS, LIVING FACILITIES AND SOIL STOCKPILES WILL BE SHOWN ON A SUNDRY NOTICE UPON SELECTION FO A DRILLING CONTRACTOR.
- E. ALL PITS WILL BE FENCED TO PREVENT DOMESTIC ANIMAL AND WILDLIFE ENTRY.
- F. THE RESERVE PIT FENCING WILL BE ON THREE SIDES DURNING OPERATIONS AND ON THE FOURTH SIDE WHEN THE RIG MOVES OFF LOCATION. PITS WILL BE FENCED AND MAINTAINED UNTIL CLEANUP.

**10. PLANS FOR RESTORATION OF SURFACE**

**PRODUCING LOCATION**

- A. IMMEDIATELY UPON COMPLETION, THE LOCATION AND SURROUNDING AREA WILL BE CLEARED OF ALL UNUSED TUBING, EQUIPMENT, DEBRIS, MATERIALS, TRASH AND JUNK, NOT REQUIRED FOR PRODUCTION.
- B. IMMEDIATLEY UPON WELL COMPLETION, ANY HYDROCARBONS ON THE PIT SHALL BE REMOVED IN ACCORDANCE WITH 43. CFR 3162.7-1.
- C. IF THE WELL IS COMMERCIAL THE PLASTIC NYLON REINFORCED LINER SHALL BE TORN AND PERFORATED BEFORE BACKFILLING OF THE RESERVE PIT. IF THE WELL IS PLUGGED AND ABANDONED THE PLASTIC NYLON REINFORCED LINER SHALL BE REMOVED WITH THE DRILL CUTTINGS AND DISPOSED OF AT AN APPROVED DISPOSAL SITE.
- D. ONCE THE RESERVE PIT IS DRY, THE RESERVE PIT AND THAT PORTION OF THE LOCATION NOT NEEDED FOR PRODUCTION FACILITIES/OPERATIONS WILL BE RECONTOURED TO THE APPROXIMATE NATURAL CONTOURS AND MADE AVAILABLE TO THE LAND OWNER.
- E. THE LOCATION WILL BE RECLAIMED AND RESEEDDED AS REQUESTED BY THE LAND OWNER.



**DRYHOLE**

- F. AT SUCH TIME AS THE WELL IS PLUGGED AND ABANDONED, THE OPERATOR SHALL SUBMIT A SUBSEQUENT REPORT OF ABANDONMENT AND WILL RECLAIM LANDS AS REQUESTED BY LAND OWNER.

**11. SURFACE OWNERSHIP**

- A. ACCESS ROADS: ALL EXISTING IMPROVED ROADS ARE SANPETE COUNTY MAINTAINED.
- B. WELLPAD: THE WELLPAD IS LOCATED ON LANDS OWNED BY: THE BEN GLADE LAMB FAMILY LIVING TRUST

**12. OTHER INFORMATION**

- A. ALL LEASE AND/OR UNIT OPERATIONS WILL BE CONDUCTED IN SUCH A MANNER THAT FULL COMPLIANCE IS MADE WITH ALL APPLICABLE LAWS, REGULATIONS, ONSHORE OIL AND GAS ORDERS, THE APPROVED PLAN OF OPERATIONS, AND ANY APPLICABLE NOTICE TO LESSEES. THE OPERATOR IS FULLY RESPONSIBLE FOR THE ACTIONS OF HIS SUBCONTRACTORS. A COPY OF THESE CONDITIONS WILL BE FURNISHED TO THE REPRESENTATIVE TO INSURE COMPLIANCE.
- B. A COMPLETE COPY OF THE APPROVED APD SHALL BE ON LOCATION DURING CONSTRUCTION OF THE LOCATION AND DRILLING ACTIVITIES.
- C. THERE WILL BE NO DEVIATION FROM THE PROPOSED DRILLING AND/OR WORKOVER PROGRAM WITHOUT PRIOR APPROVAL FROM THE STATE OF UTAH DOGM. SAFE DRILLING AND OPERATING PRACTICES MUST BE OBSERVED, ALL WELLS WHETHER DRILLING, PRODUCING, SUSPENDED, OR ABANDONED WILL BE IDENTIFIED IN ACCORDANCE WITH 43 CFR 3162.3-2.H.
- D. "SUNDRY NOTICE AND REPORT ON WELLS" WILL BE FILED FOR APPROVAL FOR ALL CHANGES OF PLANS AND OTHER OPERATIONS IN ACCORDANCE WITH 43 CFR 3162.3-2.
- E. THIS PERMIT WILL BE VALID FOR A PERIOD OF ONE YEAR FROM THE DATE OF APPROVAL. AN EXTENSION PERIOD MAY BE GRANTED, IF REQUESTED, PRIOR TO THE EXPIRATION OF THE ORIGINAL APPROVAL PERIOD.

**13. LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION**

**PERMIT MATTERS**

Daniel R. Gunnell  
Liberty Pioneer Energy Source  
1527 N. Technology Way  
Building C, Suite 2300  
Orem, UT 84097  
(801) 224-4771

**DRILLING AND COMPLETIONS MATTERS**

Daniel R. Gunnell  
Liberty Pioneer Energy Source  
1527 N. Technology Way  
Building C, Suite 2300  
Orem, UT 84097  
(801) 224-4771

**CERTIFICATION**

I HEREBY CERTIFY THAT I, OR PERSONS UNDER MY DIRECT SUPERVISION, HAVE INSPECTED THE PROPOSED DRILLSITE AND ACCESS ROUTE, I AM FAMILIAR WITH THE CONDITIONS WHICH PRESENTLY EXIST. THAT THE STATEMENT MADE IN THIS PLAN ARE, TO THE BEST OF MY KNOWLEDGE, TRUE AND CORRECT; AND, THAT THE WORK ASSOCIATED WITH THE OPERATIONS PROPOSED HEREIN WILL BE PERFORMED BY LIBERTY PIONEER ENERGY SOURCE AND ITS CONTRACTORS AND SUBCONTRACTORS IN CONFORMITY WITH THE PLAN AND THE TERMS AND CONDITIONS UNDER WHICH IT IS APPROVED.

THIS STATEMENT IS SUBJECT OF THE PROVISIONS OF U.S.C. 1001 FOR THE FILING OF A FALSE STATEMENT.

**September 16, 2005**

DATE:

*Don Hamilton*


DON HAMILTON

AGENT FOR LIBERTY PIONEER ENERGY SOURCE

ORIGINAL

## SURFACE DAMAGE AGREEMENT

This Agreement is between THE BEN GLADE LAMB FAMILY LIVING TRUST, hereinafter referred to as "Lessor", whose address is 7521 Sunrose Dr. NW, Albuquerque, NM 87120 and

 LIBERTY PIONEER ENERGY SOURCE Inc., hereinafter referred to as "Operator", whose address is 1527 North Technology Way, Orem, UT 84097.

**The above parties agree to the basic understanding as follows:**

Prior to the commencement of any drilling operation by Lessee or its assigns (hereinafter referred to as "Operator") on any land on which Lessor owns surface rights ("Subject Lands"), Operator shall pay as compensation for damage to the surface, the following payments:

- \$500 for each drill-site location

Operator shall use or have access to the subject Property at its own risk. Operator agrees to bare all liabilities caused by the Lessee or its assigns and to provide proof of liability insurance and well site bond to the Lessor.

(1) The parties herein shall mutually agree upon the location of the access road. Any and all access roads shall not exceed 30 feet in width. All pipelines, power lines, and telephone lines will be buried below plow depth and mapped. In the event of a dry hole, the drill site and roadways will be restored to original condition, or to Lessor's specifications.

(2) Unauthorized personnel, contractors, etc. will not be allowed on location or have access to the location. Operator will make every reasonable effort to have a company representative on the location at all times during drilling/completion operations. Firearms, liquor, and drugs shall be prohibited from well locations and access roads.

(3) Operator will reimburse Lessor for loss of livestock and damages caused by or directly related to Operator's exploration and production of oil or gas. Operator will reimburse Lessor at a fair market value plus associated replacement costs involved.

(4) Operator will not bring electric utilities onto the subject Property without first receiving written approval from the Lessor.

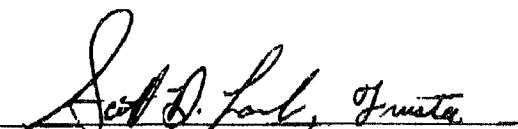
## PROPERTY RECLAMATION AGREEMENT

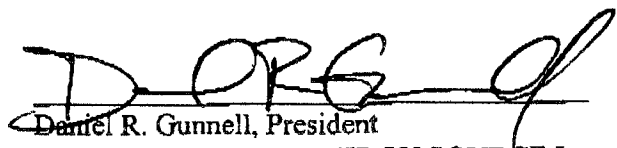
1. All topsoil will be stripped, stockpiled, and then replaced to support re-vegetation.
2. Ditches, and culverts, gates, cattle guards will be returned to original condition, or to Lessors specifications.

3. Reclamation work will be accomplished in a timely manner. Natural causes such as unusual weather conditions or ground settling may delay reclamation.
4. All construction and maintenance costs shall be born by Operator.

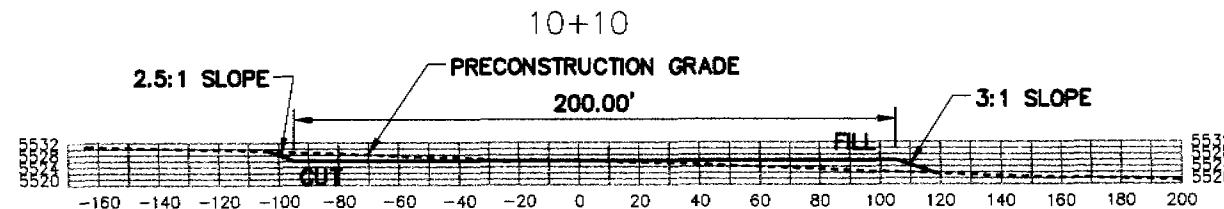
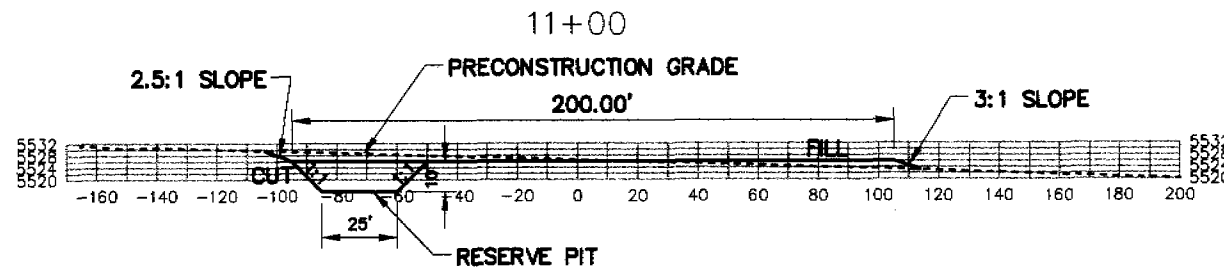
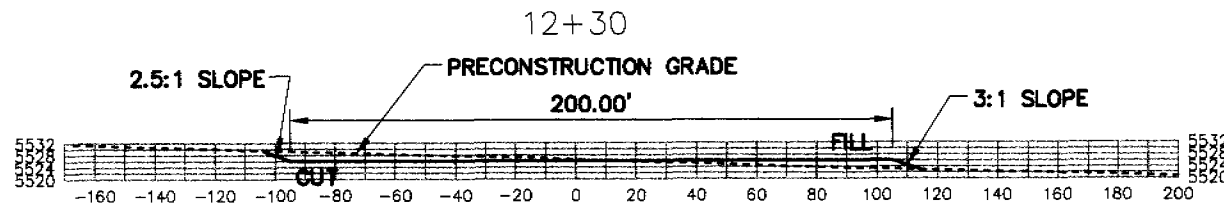
This agreement shall be binding upon Lessor, its executors, administrators, successors, and assigns and upon Operator, its executors, administrators, successors, and assigns. This agreement pertains to all surface areas disturbed in exploration and/or development.

Signed this 7<sup>th</sup> day of September, 2005.

  
Scott D. Lamb, Trustee  
THE BEN GLADE LAMB FAMILY LIVING  
TRUST, Lessor and Surface Owner

  
Daniel R. Gunnell, President  
LIBERTY PIONEER ENERGY SOURCE Inc., Operator

**LIBERTY PIONEER ENERGY SOURCE**  
**LOCATION LAYOUT FOR**  
**LAMB TRUST #31-6**  
**SECTION 31, T.15 S., R.3 E., S.L.B. & M.**



**Jones & DeMille Engineering**  
 1535 South 100 West - Richfield, Utah 84701  
 Phone (435) 896-8266  
 Fax (435) 896-8268  
 www.jonesanddemille.com

**Well Location Layout for**

**Liberty Pioneer Energy Source Lamb Trust 31-6**

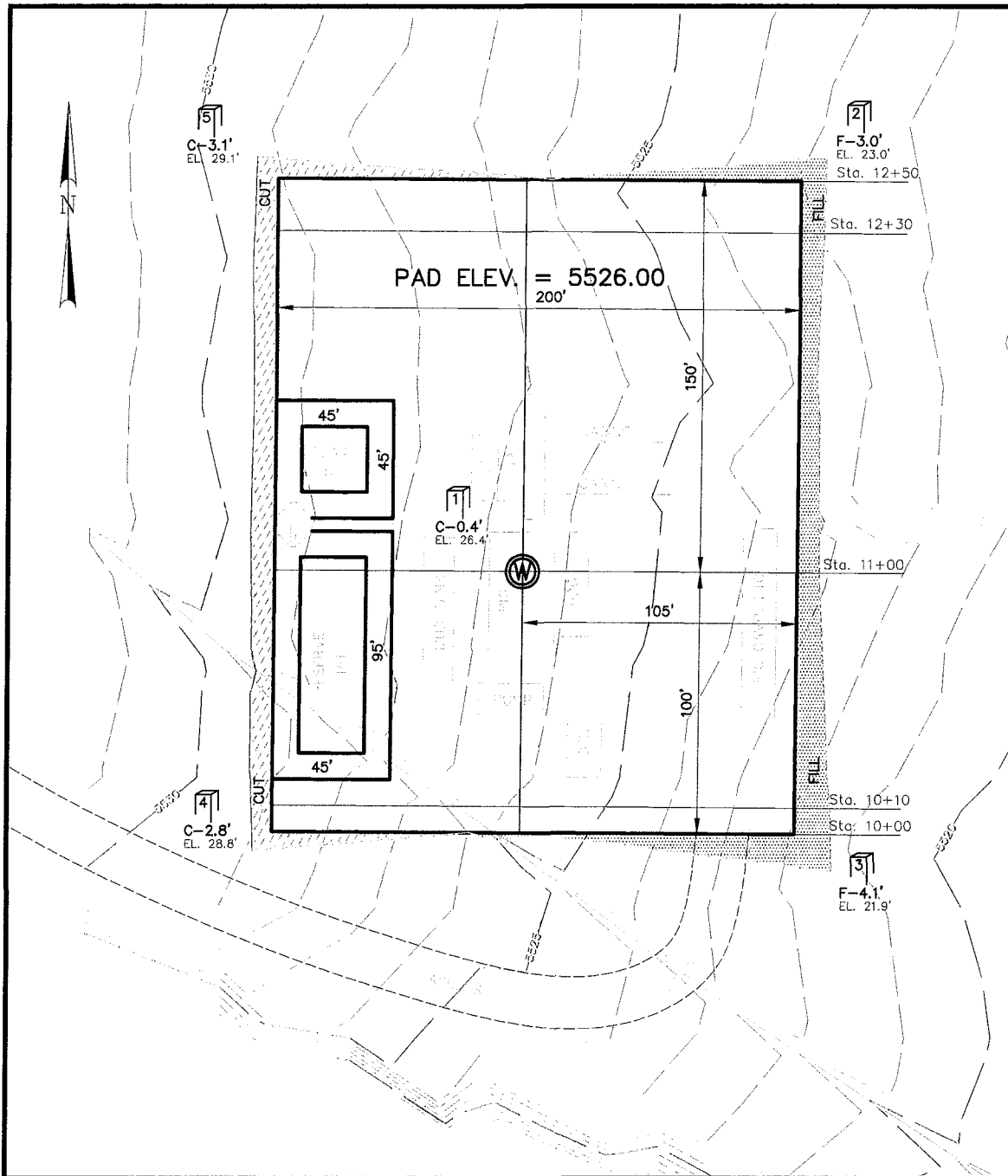
DESIGNED D.H.R.	SURVEYED W.H.	CHECKED T.R.G.	DRAWN L.G.	PROJECT NO. 0507-004	SHEET NO. 2
DATE 08/15/2005		DRG. NAME Design	SCALE 1" = 80'		

# LIBERTY PIONEER ENERGY SOURCE

## LOCATION LAYOUT FOR

LAMB TRUST #31-6

SECTION 31, T.15 S., R.3 E., S.L.B. & M.



### PAD EARTHWORK VOLUMES

Cut = 1890 c.y.

Fill = 1771 c.y. (30% Shrink)

Net = 119 c.y. Cut

RESERVE PIT CAPACITY = 5477 bbls

RESERVE PIT VOLUMES = 1139 c.y.

FLARE PIT CAPACITY = 2357 bbls

FLARE PIT VOLUMES = 491 c.y.

TOTAL PAD AREA: 1.15 ACRES

ELEV. UNGRADED GROUND AT  
LAMB TRUST #31-6 = 5503.6

ELEV. GRADED GROUND AT  
LAMB TRUST #31-6 = 5502.75



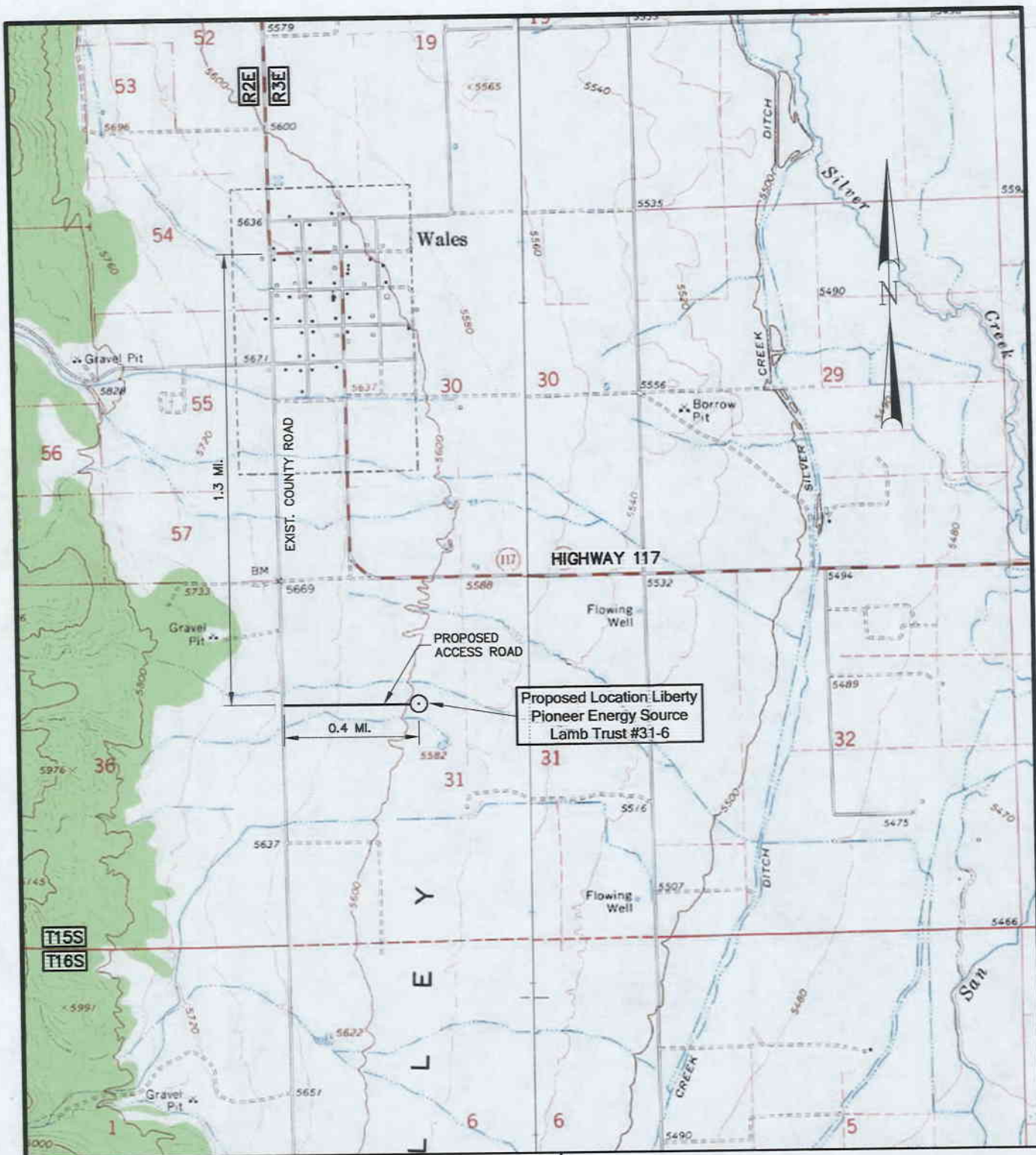
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**Well Location Layout for**

**Liberty Pioneer Energy Source Lamb Trust 31-6**

DESIGNED	SURVEYED	CHECKED	DRAWN	PROJECT NO.	SHEET NO.
D.H.R.	W.H.	T.R.G.	L.G.	0507-004	1
DATE	DWG. NAME	SCALE			
08/15/2005	Design	1" = 60'			

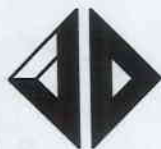


#### LEGEND



PROPOSED LOCATION

**Liberty Pioneer Energy Source Lamb Trust #31-6**  
 Section 31, T.15 S., R.3 E., S.L.B. & M.  
 1821' FNL 1992' FWL



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### Liberty Pioneer Energy Source Lamb Trust #31-6 Location Map

SCALE: 1" = 2000'	ENG.: D.H.R.	PROJ.#: 0507-004
DATE: 08/15/2005	DWG.BY: L.G.	DWG.NAME: wells

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐  
(highlight changes)

**APPLICATION FOR PERMIT TO DRILL**

1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		5. MINERAL LEASE NO: Patented	6. SURFACE: Fee
B. TYPE OF WELL: OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
2. NAME OF OPERATOR: Liberty Pioneer Energy Source		8. UNIT or CA AGREEMENT NAME: N/A	
3. ADDRESS OF OPERATOR: 1527 N Tech Way, C 23 <sup>1</sup> CITY Orem STATE UT ZIP 84097		9. WELL NAME and NUMBER: Lamb Trust #31-6	
PHONE NUMBER: (801) 224-4771		10. FIELD AND POOL, OR WILDCAT: Wildcat	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1,821' FNL, 1,992 FWL, 445749X 39.470236 AT PROPOSED PRODUCING ZONE: 1,821' FNL, 1,992 FWL, 4368942Y - 111.630694		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENW 31 15S 3E S	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 1.3 miles south of Wales, Utah		12. COUNTY: Sanpete	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 500'	16. NUMBER OF ACRES IN LEASE: 48	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) None	19. PROPOSED DEPTH: 4,898	20. BOND DESCRIPTION: pending	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5,526'	22. APPROXIMATE DATE WORK WILL START: 10/15/2005	23. ESTIMATED DURATION: 45 days	

**PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
12"	8-5/8" J-55 24#	800	see Drilling Plan
7-7/8"	5-1/2" N-80 17#	4,898	see Drilling Plan
			well to be Plugged
			back to 4,000'

**ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- ☒ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER  
☐ EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER

- ☒ COMPLETE DRILLING PLAN  
☐ FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

**ORIGINAL  
CONFIDENTIAL**

NAME (PLEASE PRINT) Don Hamilton

TITLE Agent for Liberty Pioneer

SIGNATURE Don Hamilton

DATE 9/16/2005

(This space for State use only)

API NUMBER ASSIGNED: 13-039-30027

APPROVAL:

**RECEIVED  
SEP 22 2005**



**Section 31, T.15 S., R.3 E., S.L.B. & M.**

**PROJECT**

## Liberty Pioneer Energy Source

WELL LOCATION, LOCATED AS SHOWN IN THE S.E. 1/4 OF THE  
N.W. 1/4 OF SECTION 31, T.15 S., R.3 E., S.L.B. & M.  
SANPETE COUNTY, UTAH

## LEGEND

- - PROPOSED WELL HEAD
- ✚ - SECTION CORNERS LOCATED
- ✚ - QUARTER SECTION CORNERS LOCATED
- ✚ - SECTION CORNERS NOT LOCATED
- ✚ - QUARTER SECTION CORNERS NOT LOCATED

NOTE: THE PURPOSE OF THIS SURVEY WAS TO PLAT THE  
LIBERTY PIONEER ENERGY SOURCE LAMB TRUST #31-6  
LOCATION. LOCATED IN THE S.E. 1/4 OF THE  
N.W. 1/4 OF SECTION 31, T.15 S., R.3 E.,  
S.L.B. & M., SANPETE COUNTY.

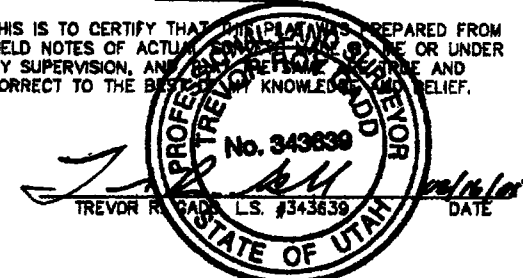
### BASIS OF ELEVATION

ELEVATION BASED ON THE NORTHWEST CORNER  
OF SECTION 8, T.16 S., R.3 E., S.L.B. & M. WHICH IS A SANPETE  
COUNTY ALUM. CAP WITH AN ELEVATION OF 5582.40



## CERTIFICATE

THIS IS TO CERTIFY THAT THIS STATEMENT WAS PREPARED FROM  
FIELD NOTES OF ACTUAL SOURCE NAME, OR UNDER  
MY SUPERVISION, AND IS TRUE AND  
CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



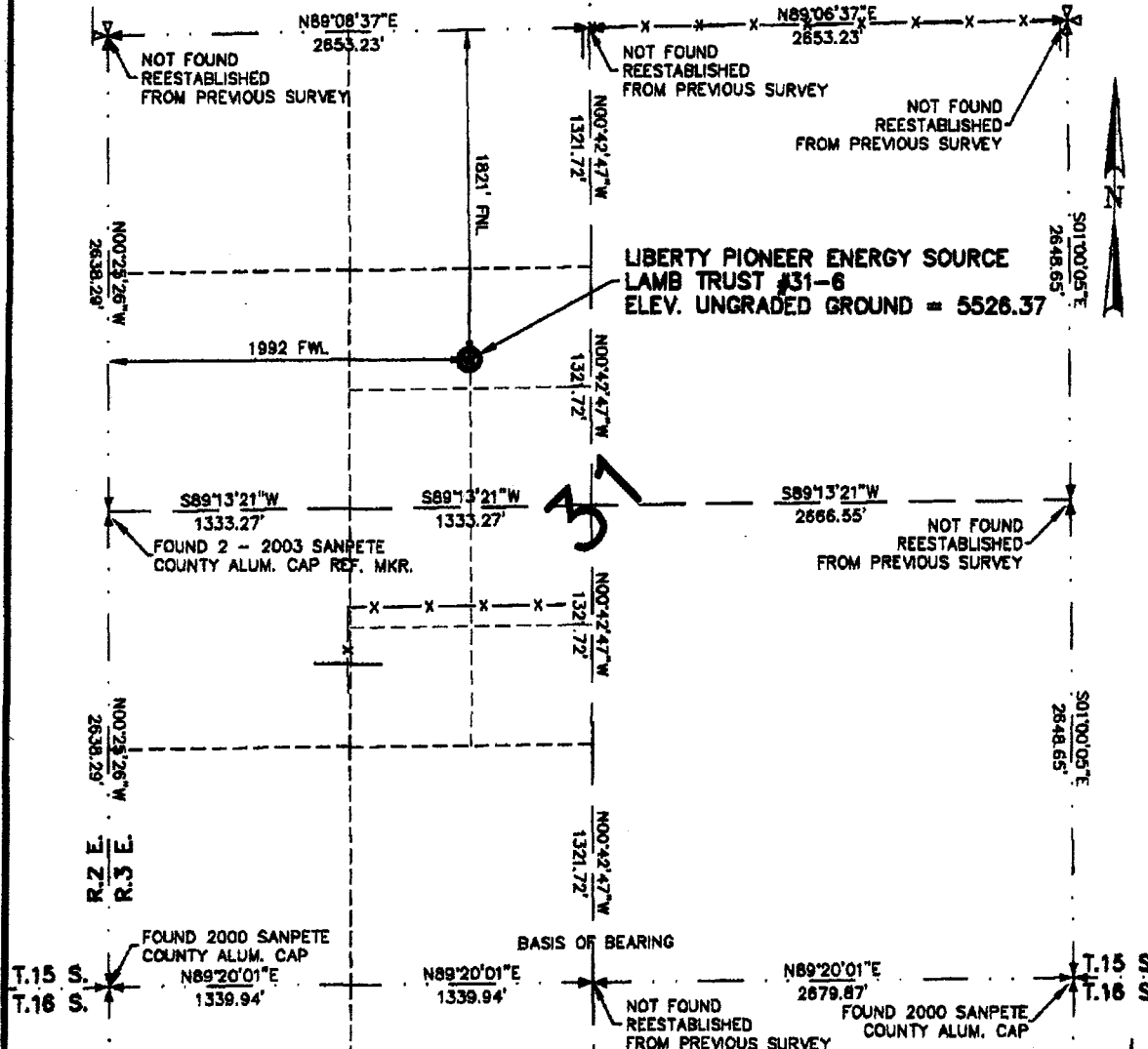
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[www.jonesandcarnille.com](http://www.jonesandcarnille.com)

### Well Location Plat for

## Liberty Pioneer Energy Source

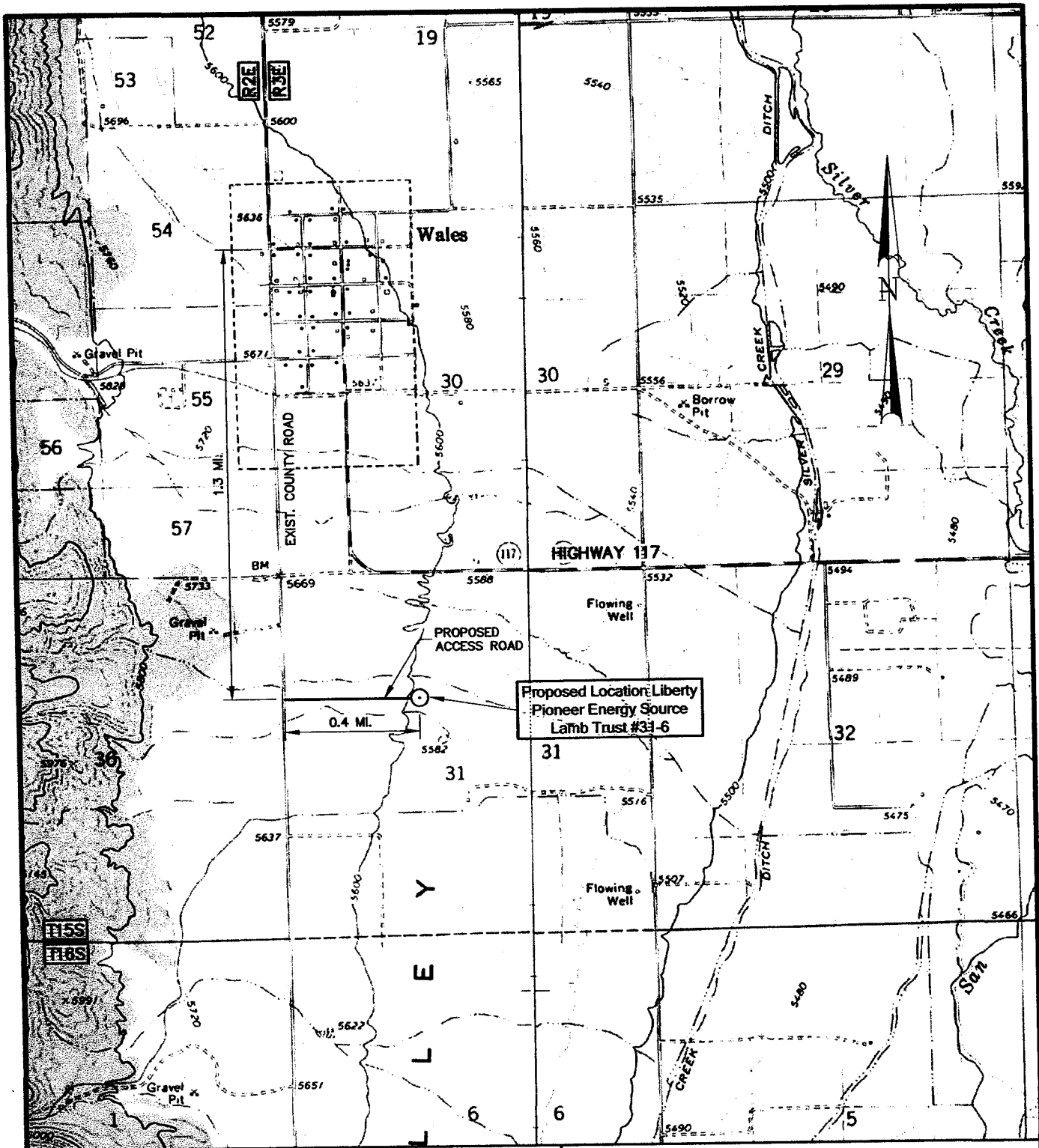
DESIGNED —	SUBMITTED R.H.H.	CHECKED D.H.R.	DRAWN T.R.G.	PROJECT NO. 0507-004	SHEET NO. 1
DATE 08/10/2005		DESIGNER WELL LDC	SCALE 1"=1000'		



## BASIS OF BEARINGS

BASIS OF BEARING USED WAS N89°20'01"E BETWEEN THE NORTHWEST CORNER AND THE NORTHEAST CORNER OF SECTION 8, T.16 S., R.3 E., S.1 B. & M.

LATITUDE = 39°28'12.8090" (39.47016917) NAD 83  
LONGITUDE = -111°37'52.7530" (-111.63132028) NAD 83



#### LEGEND



PROPOSED LOCATION

**Liberty Pioneer Energy Source Lamb Trust #31-6**  
**Section 31, T.15 S., R.3 E., S.L.B. & M.**  
**1821' FNL 1992' FWL**



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 (435) 896-8266 Phone  
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[www.jonesanddemille.com](http://www.jonesanddemille.com)

### Liberty Pioneer Energy Source

### Lamb Trust #31-6

### Location Map

SCALE: 1" = 2000'

ENG.: D.H.R.

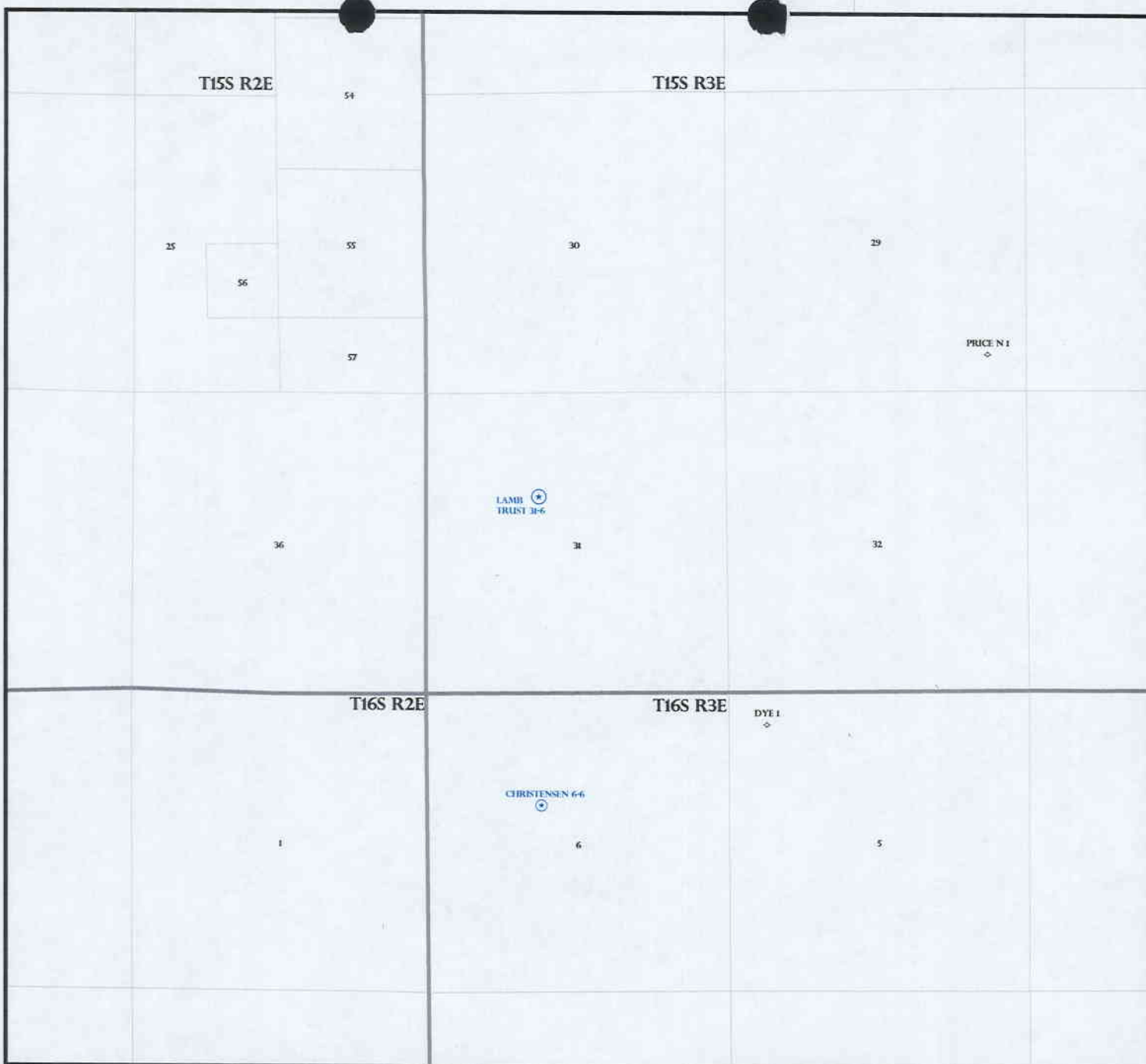
PROJ.#: 0507-004

DATE: 08/15/2005

DWG.BY: L.G.

DWG.NAME: wells





OPERATOR: LIBERTY PIONEER (N2855)

SEC: 31 T. 15S R. 3E

FIELD: WILDCAT (001)

COUNTY: SANPETE

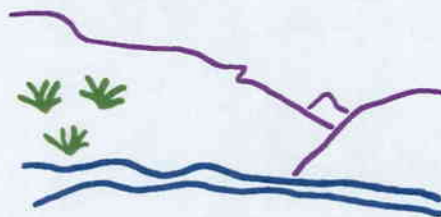
SPACING: R649-3-2 / GENERAL SITING

**Field Status**  
 ABANDONED  
 ACTIVE  
 COMBINED  
 INACTIVE  
 PROPOSED  
 STORAGE  
 TERMINATED

**Unit Status**  
 EXPLORATORY  
 GAS STORAGE  
 NF PP OIL  
 NF SECONDARY  
 PENDING  
 PI OIL  
 PP GAS  
 PP GEOTHERML  
 PP OIL  
 SECONDARY  
 TERMINATED

**Wells Status**

✂ GAS INJECTION  
 ✂ GAS STORAGE  
 ✂ LOCATION ABANDONED  
 ○ NEW LOCATION  
 ✂ PLUGGED & ABANDONED  
 ✂ PRODUCING GAS  
 ● PRODUCING OIL  
 ✂ SHUT-IN GAS  
 ✂ SHUT-IN OIL  
 ✂ TEMP. ABANDONED  
 ○ TEST WELL  
 ○ WATER INJECTION  
 ○ WATER SUPPLY  
 ○ WATER DISPOSAL  
 ○ DRILLING



*Utah Oil Gas and Mining*



PREPARED BY: DIANA WHITNEY  
 DATE: 24-SEPTEMBER-2005

**DIVISION OF OIL, GAS AND MINING**  
**APPLICATION FOR PERMIT TO DRILL**  
**STATEMENT OF BASIS**

**OPERATOR:** Liberty Pioneer Energy Source  
**WELL NAME & NUMBER:** Lamb Trust 31-6  
**API NUMBER:** 43-039-30027  
**LOCATION:** 1/4,1/4 SENW Sec:31 TWP:16 S RNG:3 E 1821 FNL 1992 FWL

**Geology/Ground Water:**

A well at this location will spud into a moderately permeable soil developed on Quaternary Tertiary coalesced fan deposits. A significant near surface high quality ground water resource exists in this valley with artesian wells within a mile of the location. A P&A'd well, about 1.1 miles southeast, encountered two water sands within the first 50' of 24" conductor casing hole. Many underground water rights have been filed within a mile of the location, with wells drilled as deep as 365'. Division personnel have described nearby water wells as being thermal and having 400 to 600 pounds formation pressure. The cited nearest well set surface pipe over 1000' deeper than the length of the proposed surface string in this proposal. Owing to the quality, volume, temperatures and mineralized nature of the ground waters and the documented unconsolidated sands above the Green River Formation, it is recommended that this operator also extend the casing into the top of the Green River Formation to protect the resources. The unconsolidated Crazy Hollow Formation will be behind the extended surface pipe.

**Reviewer:** Christopher J. Kierst **Date:** 10/20/05

**Surface:**


Proposed location is ~1.3 miles south of Wales, Utah. The current surface use of the immediate area surrounding the proposed well is grazing and agricultural use. Access to this well will be along existing County maintained roads and ~.4 miles of upgraded 2-track road, on private property. The direct area drains to the east. 1 PA and 1 proposed oil well is within a 1-mile radius of the above proposed well. A handful of private water wells are also within a 1-mile radius of the above proposed well. These wells are for both residential use and agricultural use and are said to be ~300' deep. Location layout, storm water drainage control, current surface status and characteristics, planned disturbances, access and utility route, and the reserve pit characteristics were all discussed. D. Hamilton, Kimball Hodges, Danny Gunnell (Liberty), Mary Lamb, Mardell Nielsen, Jeff Lamb (Lamb Family Trust) were in attendance. Sanpete County was invited but chose not to attend this on-site.

**Reviewer:** Mark L. Jones **Date:** October 13, 2005

**Conditions of Approval/Application for Permit to Drill:**

1. A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.
2. Extend the surface casing as needed into the top of the Green River Formation to protect shallow, high quality aquifers.

**STATE ACTIONS**  
**Resource Development Coordinating Committee**  
**Governor's Office of Planning and Budget**  
**5110 State Office Building**  
**SLC, UT 84114**  
**Phone No. 537-9230**

<b>1. State Agency</b> Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	<b>2. Approximate date project will start:</b>  Upon Approval or October 5, 2005
<b>3. Title of proposed action:</b> Application for Permit to Drill	
<b>4. Description of Project:</b>  Liberty Pioneer Energy Source proposes to drill the Lamb Trust #31-6 well (wildcat) on a Fee lease, Sanpete County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence.	
<b>5. Location and detailed map of land affected (site location map required, electronic GIS map preferred)</b> (include UTM coordinates where possible) (indicate county) 1821' FNL 1992' FWL, SE/4 NW/4, Section 31, Township 15 South, Range 3 East, Sanpete County, Utah	
<b>6. Possible significant impacts likely to occur:</b> Surface impacts include up to five acres of surface disturbance during the drilling and completion phase (estimated for five weeks duration). If oil and gas in commercial quantities is discovered, the location will be reclaimed back to a net disturbance of between one and two acres – not including road, pipeline, or utility infrastructure. If no oil or gas is discovered, the location will be completely reclaimed.	
<b>7. Identify local government affected</b> a. Has the government been contacted? No. b. When? c. What was the response? d. If no response, how is the local government(s) likely to be impacted?	
<b>8. For acquisitions of land or interests in land by DWR or State Parks please identify state representative and state senator for the project area. Name and phone number of state representative, state senator near project site, if applicable:</b> a. Has the representative and senator been contacted? N/A	
<b>9. Areawide clearinghouse(s) receiving state action:</b> (to be sent out by agency in block 1) Six County Association of Governments	
<b>10. For further information, contact:</b>    Diana Whitney <b>Phone:</b> (801) 538-5312	<b>11. Signature and title of authorized officer</b>    Gil Hunt, Associate Director <b>Date:</b> September 22, 2005

**ON-SITE PREDRILL EVALUATION**  
**Division of Oil, Gas and Mining**

OPERATOR: Liberty Pioneer Energy Source  
WELL NAME & NUMBER: Lamb Trust 31-6  
API NUMBER: 43-039-30027  
LEASE: Fee FIELD/UNIT: \_\_\_\_\_  
LOCATION: 1/4, 1/4 SE NW Sec: 31 TWP: 15S RNG: 3E 1821 FNL 1992 FWL  
LEGAL WELL SITING: \_\_\_\_\_ F SEC. LINE; \_\_\_\_\_ F 1/4, 1/4 LINE; \_\_\_\_\_ F ANOTHER WELL.  
GPS COORD (UTM): X =445749 E; Y =4368942 N SURFACE OWNER: Ben Glade Lamb  
Family Living Trust.

**PARTICIPANTS**

M. Jones (DOGM), D. Hamilton, Kimball Hodges, Danny Gunnell (Liberty), Mary Lamb, Mardell Nielsen, Jeff Lamb (Lamb Family Trust), Sanpete County was invited but chose not to attend this on-site.

**REGIONAL/LOCAL SETTING & TOPOGRAPHY**

Proposed location is ~1.3 miles south of Wales, Utah. The current surface use of the immediate area surrounding the proposed well is grazing and agricultural use. Access to this well will be along existing County maintained roads and ~.4 miles of upgraded 2-track road, on private property. The direct area drains to the east.

**SURFACE USE PLAN**

CURRENT SURFACE USE: Grazing.

PROPOSED SURFACE DISTURBANCE: 200' x 250' w/ 45' x 95' x 10' reserve pit and 45' x 45' x 10' flare pit, both included w/in pad dimensions.

LOCATION OF EXISTING WELLS WITHIN A 1-MILE RADIUS: 1 PA and 1 proposed oil well is within a 1-mile radius of the above proposed well. A handful of private water wells are also within a 1-mile radius of the above proposed well. These wells are for both residential use and agricultural use and are said to be ~300' deep.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: On location and along roadway.

SOURCE OF CONSTRUCTION MATERIAL: Obtained locally and trucked to site.

ANCILLARY FACILITIES: None anticipated.

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST OR CONCERNS? (EXPLAIN): As Wales is a small rural community, some residents may have concerns of drilling activity in the area's surrounding the town-site.

**WASTE MANAGEMENT PLAN:**

As per "METHOD OF HANDLING WASTE DISPOSAL" outlined in the APD submitted

to The Division for this well.

**ENVIRONMENTAL PARAMETERS**

AFFECTED FLOODPLAINS AND/OR WETLANDS: None.

FLORA/FAUNA: sagebrush community, grasses, etc.

SOIL TYPE AND CHARACTERISTICS: Clay loam.

SURFACE FORMATION & CHARACTERISTICS: \_\_\_\_\_

EROSION/SEDIMENTATION/STABILITY: Erosive upon disturbance.

PALEONTOLOGICAL POTENTIAL: None observed.

**RESERVE PIT**

CHARACTERISTICS: Dugout earthen, 45'x95'x10', interior to location.

LINER REQUIREMENTS (Site Ranking Form attached): Required.

**SURFACE RESTORATION/RECLAMATION PLAN**

As per surface use agreement.

SURFACE AGREEMENT: Signed, in place.

CULTURAL RESOURCES/ARCHAEOLOGY: None requested.

**OTHER OBSERVATIONS/COMMENTS**

**ATTACHMENTS**

Photos of this location were taken and placed on file.

Mark L. Jones  
DOGM REPRESENTATIVE

October 12, 2005 / 2:00 pm  
DATE/TIME



**Evaluation Ranking Criteria and Ranking Score  
For Reserve and Onsite Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>0</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>5</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>10</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>10</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>5</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>6</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

**Final Score**      36      (Level I Sensitivity)

Sensitivity Level I = 20 or more; total containment is required, consider criteria for excluding pit use.

Sensitivity Level II = 15-19; lining is discretionary.

Sensitivity Level III = below 15; no specific lining is required.







State Online Services

Agency List

Business.utah.gov

Search Utah.gov

GO

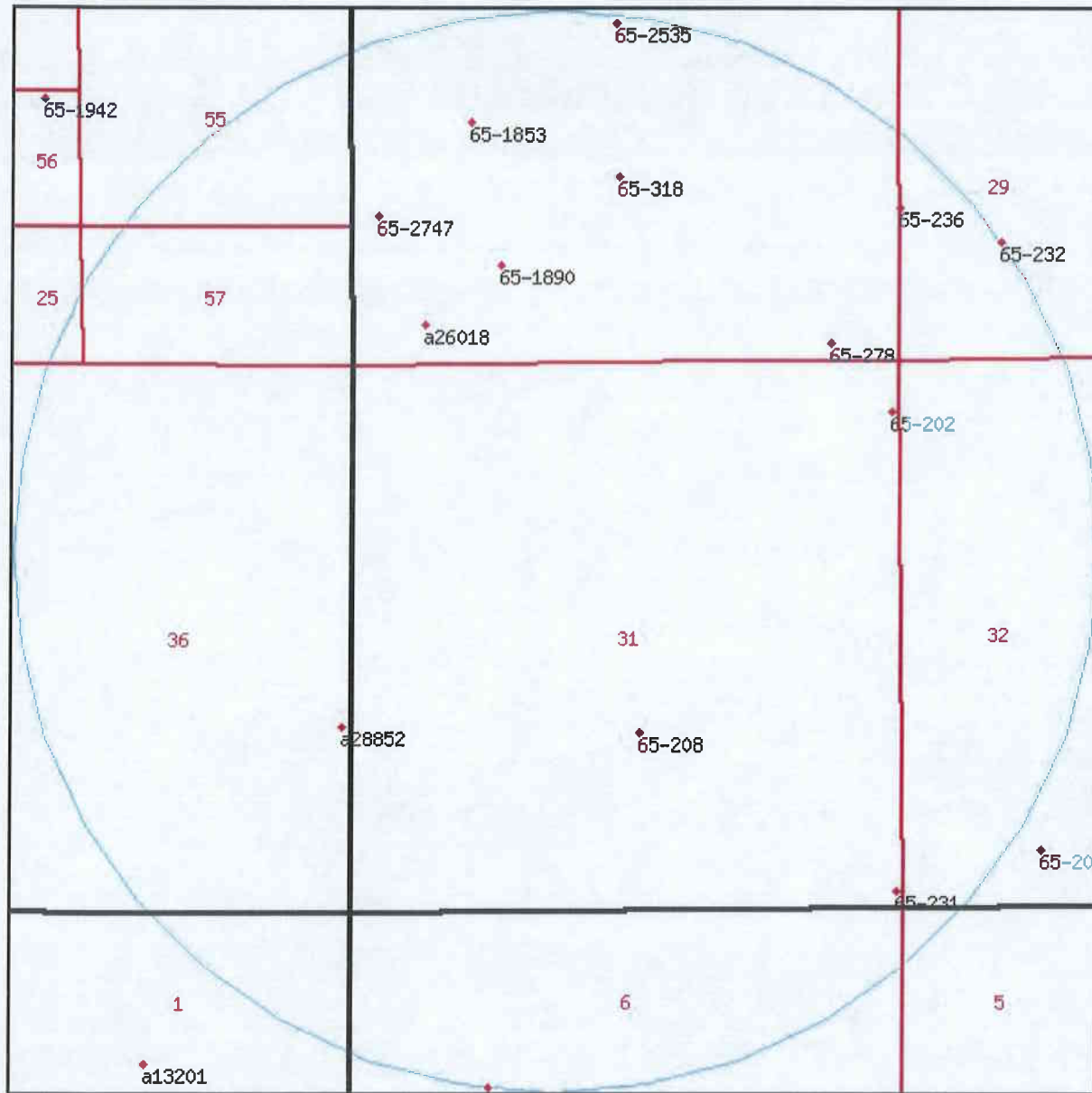
# UTAH DIVISION OF WATER RIGHTS

## WRPLAT Program Output Listing

Version: 2004.12.30.00      Rundate: 10/20/2005 01:26 PM

Radius search of 5280 feet from a point S1821 E1992 from the NW corner, section 31, Township 15S, Range 3E, SL b&m Criteria:wrtypes=W,C,E  
podtypes=S,U,D,Sp,P status=U,A,P usetypes=all



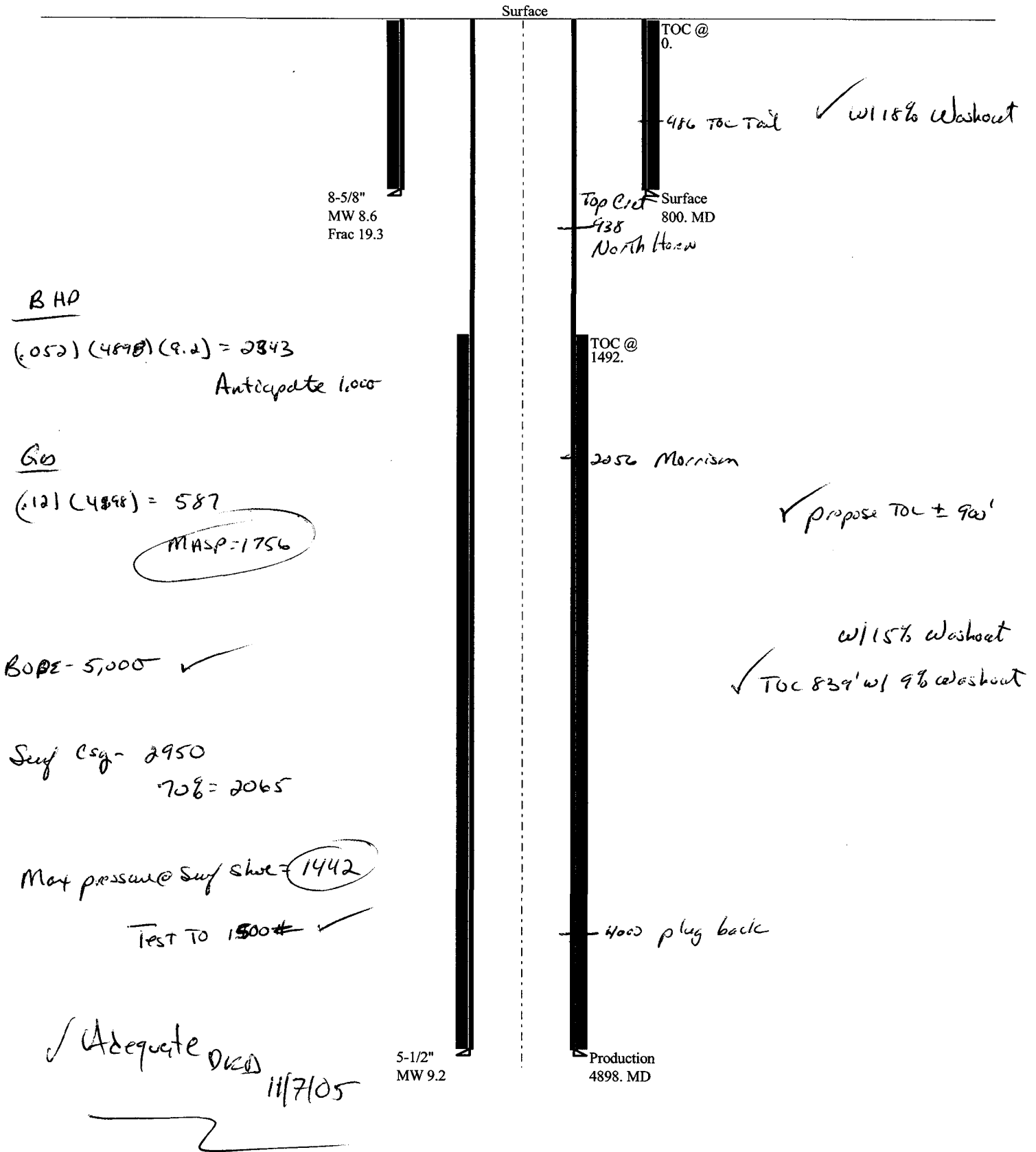
**Water Rights**

WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner Name
65-1255	Underground S1743 W1349 N4 06 16S 3E SL		P	19100000	IS	0.022	0.000	JENNIE T. JOHNSON EPHRAIM UT 84627
65-1853	Underground N2374 E1154 SW 30 15S 3E SL		P	19760601	IS	0.015	0.000	ROBERT R. JACKMAN P.O. BOX 647
65-1890	Underground N970 E1440 SW 30 15S 3E SL		P	19770325	DIS	0.015	0.000	P.S.A. AND SONS INCORPORATED C/O PAUL D. ANDERSON (MANAGER)
65-1942	Underground S40 W367 E4 25 15S 2E SL		P	19770915	DIS	0.015	0.000	TAD WILLIAM AND SARA STEADMAN HC 13 P.O. BOX 4234
65-202	Underground S495 W66 NE 31 15S 3E SL		P	19520505	S	0.015	0.000	LOUIS U. MUMFORD WALES UT 84667
65-206	Underground N571 E1332 SW 32 15S 3E SL		P	19520522	S	0.015	0.000	H. RICHARD THOMAS SANTA ROSA CA
65-208	Underground N1716 W2574 SE 31 15S 3E SL		P	19520710	S	0.015	0.000	NEWEL F. REESE WALES UT 84667
65-2292	Surface S1480 W2000 NE 01 16S 2E SL		P	19840508	I	8.230	0.000	WALES IRRIGATION COMPANY WALES UT 84667
65-231	Underground N165 W66 SE 31 15S 3E SL		P	19530526	S	0.015	0.000	RALPH WASHBURN WALES UT 84667
65-232	Underground N1155 E990 SW 29 15S 3E SL		P	19530606	S	0.015	0.000	LLOYD PRICE WALES UT 84667
65-236	Underground N1485 0 SW 29 15S 3E		P	19530925	S	0.015	0.000	LLOYD PRICE WALES UT 84667

	SL					
<u>65-2535</u>	Underground	<u>well info</u>	P	18580000 M	0.410 47.250	TOWN OF WALES  P.O. BOX 4262
	N3332 E2559 SW 30 15S 3E SL					
<u>65-2747</u>	Underground	<u>well info</u>	A	19960821 DIS	0.015 0.000	KARL S. AND LESLIE CLAWSON  P.O. BOX 4235
	N1450 E250 SW 30 15S 3E SL					
<u>65-278</u>	Underground		P	19550910 S	0.015 0.000	DAVID C. REES  WALES UT 84667
	N165 W660 SE 30 15S 3E SL					
<u>65-318</u>	Underground		P	19580129 D	0.015 0.000	NEWEL FRANK AND EUNICE L. REES  94 W. 100 N.
	S3465 E2640 NW 30 15S 3E SL					
<u>65-3346</u>	Surface		P	18580000 I	0.380 0.000	HELD BY BWR WALES IRRIGATION COMPANY  WALES UT
	S1480 W2000 NE 01 16S 2E SL					
<u>65-3347</u>	Surface		P	18580000 S	2.000 0.000	WALES IRRIGATION COMPANY  WALES UT
	S1480 W2000 NE 01 16S 2E SL					
<u>a13201</u>	Surface		A	19840508 I	8.230 0.000	WALES IRRIGATION COMPANY  WALES UT 84667
	S1480 W2000 NE 01 16S 2E SL					
<u>a26018</u>	Underground	<u>well info</u>	A	20011004 O	0.003 0.500	KARL AND LESLIE CLAWSON  P.O. BOX 4235
	N400 E700 SW 30 15S 3E SL					
<u>a28852</u>	Underground	<u>well info</u>	A	20040409 DI	0.002 1.000	CECIL AND LIZ CLAWSON  P.O. BOX 4191
	N1815 W100 SE 36 15S 2E SL					

# 11-05 Liberty Pioneer Lamb Trust 31-6

## Casing Schematic





Well name:

**11-05 Liberty Pioneer Lamb Trust 31-6**Operator: **Liberty Pioneer**String type: **Surface**

Project ID:

43-039-30027

Location: **Sanpete County, Utah****Design parameters:****Collapse**Mud weight: 8.600 ppg  
Design is based on evacuated pipe.**Minimum design factors:****Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**H2S considered? No  
Surface temperature: 65 °F  
Bottom hole temperature: 76 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 299 ft

Cement top: Surface

**Burst**Max anticipated surface  
pressure: 204 psi  
Internal gradient: 0.436 psi/ft  
Calculated BHP 553 psi

No backup mud specified.

**Tension:**8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Tension is based on air weight.

Neutral point: 697 ft

Non-directional string.

**Re subsequent strings:**Next setting depth: 4,898 ft  
Next mud weight: 9.200 ppg  
Next setting BHP: 2,341 psi  
Fracture mud wt: 19.250 ppg  
Fracture depth: 800 ft  
Injection pressure 800 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	800	8.625	24.00	J-55	ST&C	800	800	7.972	38.5
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	357	1370	3.833	553	2950	5.34	19	244	12.71 J

Prepared by: Clinton Dworshak  
Utah Div. of Oil & MiningPhone: (801) 538-5281  
FAX: (801)359-3940Date: November 1,2005  
Salt Lake City, Utah**ENGINEERING STIPULATIONS -**

Collapse strength is based on the Westcott, Dunlop &amp; Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

Well name:

**11-05 Liberty Pioneer Lamb Trust 31-6**Operator: **Liberty Pioneer**String type: **Production**

Project ID:

43-039-30027

Location: **Sanpete County, Utah****Design parameters:****Collapse**Mud weight: 9.200 ppg  
Design is based on evacuated pipe.**Minimum design factors:****Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**H2S considered? No  
Surface temperature: 65 °F  
Bottom hole temperature: 134 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 1,500 ft

Cement top: 1,492 ft

**Burst**Max anticipated surface  
pressure: 204 psi  
Internal gradient: 0.436 psi/ft  
Calculated BHP 2,341 psi

No backup mud specified.

**Tension:**8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Non-directional string.

Tension is based on air weight.

Neutral point: 4,215 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	4898	5.5	17.00	N-80	LT&C	4898	4898	4.767	168.8
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	2341	6290	2.687	2341	7740	3.31	83	348	4.18 J

Prepared Clinton Dworshak  
by: Utah Div. of Oil & MiningPhone: (801) 538-5281  
FAX: (801)359-3940Date: November 1,2005  
Salt Lake City, Utah**ENGINEERING STIPULATIONS -**

Collapse strength is based on the Westcott, Dunlop &amp; Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

**From:** Robert Clark  
**To:** Whitney, Diana  
**Date:** 9/26/2005 9:21:05 AM  
**Subject:** Comments on Lamb Trust #31-6 wildcat well

The following comments are submitted in response to **RDCC #5744**. Comments are being submitted directly to DOG&M due to short turn around time involved.

**Comments begin:** The proposed Lamb Trust #31-6 wildcat well drilling project in Sanpete County may require a permit, known as an Approval Order, from the Utah Division of Air Quality if any compressor stations are constructed at the site. A permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, SLC, UT, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The proposed project is also subject to Utah Air Quality Rule R307-205-3, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Division of Air Quality, but steps need to be taken to minimize fugitive dust, such as, watering and/or chemical stabilization, providing vegetative or synthetic cover and windbreaks. A copy of the rules are found at [www.rules.utah.gov/publicat/code/r307/r307.htm](http://www.rules.utah.gov/publicat/code/r307/r307.htm). **Comments end.**

Robert Clark  
Division of Air Quality  
536-4435

**CC:** Mcneill, Dave; Wright, Carolyn

Project Number: 5744      Sponsor: Division of Oil, Gas and Mining  
SLB&M: Sec. 31, T15S, R3E      Counties Affected: Sanpete  
Description: Application for Permit to Drill - proposal to drill a wildcat well the  
Lamb Trust #31-6 well on a Fee lease

**Comments:**

While the extraction of hydrocarbons will provide energy for a limited time, the soil, water quality, and hydrology, can be negatively impacted for much longer.

Before permitting well drilling to proceed, conditions should be included within the permit to protect environmental quality, sustain valuable natural resources, and to reduce future costs on the treasury of Utah and its citizens. These conditions should include -

- A) Net erosion from the total comprehensive project shall not exceed 'tolerable' or T rate of erosion rates as determined by USDA / NRCS for agricultural soils. Although the land is not in agricultural use, maintaining these standards will preserve and protect natural resource values of the soil and in the waters downslope of the project area.
- B) Erosion from any one site or disturbance will not exceed the tolerable erosion rate by greater than 2.0 times the tolerable rate. for more than 90 days. Beyond 90 days, erosion shall not exceed the T rate.
- C) All sites disturbed by the project, including roads, drilling pads, storage and other areas shall be restored to appropriate species, variety, and density of vegetative cover when use of the site for hydrocarbon extraction is no longer pursued.
- D) No discharge or runoff of hydrocarbons shall be permitted or allowed which might either enter waters of the state or damage lands or wildlife of the state..
- E) Project pipeline placements and all other ground disturbing activities shall be designed, engineered, and implemented to minimize crossing of and/or disturbance to streams, washes, gullies, arroyos, or other depressions where resulting erosion potential or habitat value might be high.
- F) Where any pipeline is installed, the pipeline corridor shall be maintained to prevent erosion exceeding USDA tolerable rates with appropriate vegetative cover and other means as needed, particularly on slopes or swales.
- G) Appropriate maintenance of pumping, extraction, pipeline, and all other facilities shall be ongoing for duration of lease to sustain ecological function including habitat, soil stability, vegetative cover, and prevention of damage to the environment including release or deposition of materials that are toxic or otherwise detrimental.
- H) Upon ultimate termination of the lease in the future, well site, pipeline and all other disturbances shall be appropriately removed and sites restored as closely as possible to equal or exceed vegetative cover, soil stability and soil permeability as existed prior to project implementation. A bond shall be provided to insure such restoration.



**State of Utah**

**Department of  
Natural Resources**

MICHAEL R. STYLER  
*Executive Director*

**Division of  
Oil, Gas & Mining**

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

November 7, 2005

Liberty Pioneer Energy Source  
1527 N Tech Way, C23  
Orem, UT 84097

Re: Lamb Trust 31-6 Well, 1821' FNL, 1992' FWL, SE NW, Sec. 31, T. 15 South,  
R. 3 East, Sanpete County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-039-30027.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

cc: Sanpete County Assessor

Operator: Liberty Pioneer Energy Source  
Well Name & Number Lamb Trust 31-6  
API Number: 43-039-30027  
Lease: Fee

Location: SE NW                      Sec. 31                      T. 15 South                      R. 3 East

### Conditions of Approval

#### 1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

#### 2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

#### 3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

#### 4. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.
6. Cement volume for the 5 1/2" production string shall be determined from actual hole diameter in order to place cement from the pipe setting depth back to 900' MD as indicated in the submitted drilling plan.
7. Operator shall comply with applicable recommendations resulting from Resource Development Coordinating Committee review. Statements attached.

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 6

**CONFIDENTIAL****ENTITY ACTION FORM**Operator: Liberty Pioneer Energy SourceOperator Account Number: 2855Address: 1527 N. Technology Waycity Oremstate UTzip 84097Phone Number: (801) 224-4771**Well 1**

API Number	Well Name	QQ	Sec	Twp	Rng	County
4303930027	Lamb Trust 31-6	SENW	31	15S	3E	Sanpete
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
A	99999	15123	1/3/2006	1/5/06		
Comments: <u>Begin drilling today as outlined in the APD</u>						
<u>ENRD</u> <b>CONFIDENTIAL</b> <u>K</u>						

**Well 2**

API Number	Well Name	QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
Comments:						

**Well 3**

API Number	Well Name	QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
Comments:						

**RECEIVED**

JAN 03 2006

**ACTION CODES:**

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Kimball Hodges

Name (Please Print)

Signature

Vice President

Title

1/3/2006

Date

DIV. OF OIL, GAS &amp; MINING



**CONFIDENTIAL**

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR Liberty Pioneer Energy Source		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1527 N. Technology Way CITY Orem STATE UT ZIP 84097		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1821 FNL 1992-FWL		8. WELL NAME and NUMBER: Lamb Trust 31-6
PHONE NUMBER: (801) 224-4771		9. API NUMBER: 4303930027
QTR/CTR, SECTION TOWNSHIP, RANGE, MERIDIAN: SENW 31 16S 3E S		10. FIELD AND POOL, OR WILDCAT Wildcat

COUNTY: Sanpete

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 1/3/2006	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Spud well
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12 DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Set conductor, drilled rat and mouse holes. Today they will begin drilling. They will drill a 12" hole to 1500 ft. Set 8-5/8" J-55 24# surface casing. Get cement to surface. Drill out of surface casing 7-7/8" to 4,898 ft. Set 5-1/2" N-80 17# production casing if productive. It is anticipated that we will finish drilling by January 17th.

RECEIVED

JAN 03 2006

DIV. OF OIL, GAS &amp; MINING

NAME (PLEASE PRINT) Kimball Hodges

TITLE Vice President

SIGNATURE

DATE 1/3/2006

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STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

**CONFIDENTIAL**

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

Lamb Trust 31-6

9. API NUMBER:

4303930027

10. FIELD AND POOL, OR WILDCAT

Wildcat

1. TYPE OF WELL

OIL WELL ☒GAS WELL ☐

OTHER

2. NAME OF OPERATOR:

Liberty Pioneer Energy Source

3. ADDRESS OF OPERATOR:

1527 N. Technology Way CITY Orms

STATE UT

ZIP 84097

PHONE NUMBER:

(801) 224-4771

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1821 FNL 1992 FWL

COUNTY: Sanpete

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENW 31 15S 3E S

STATE

UTAH

## 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Waiting on Completion Rig
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Drilled well to a total depth of 5000', 5016' KB. Ran 5 1/2" casing to TD. Waiting on completion rig to complete both the Christensen 6-6 and the Lamb Trust 31-6. It looks like we will have a completion rig mid February. We will keep you posted. Thanks.

**CONFIDENTIAL**

NAME (PLEASE PRINT) Kimball Hodges

TITLE Vice President

SIGNATURE

DATE 1/26/2006

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JAN 27 2006

DIV. OF OIL, GAS &amp; MINING

CONFIDENTIAL

FORM 9

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:  
FEF

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:  
Lamb Trust 31-6

9. API NUMBER:  
4303930027

10. FIELD AND POOL, OR WILDCAT:  
Wildcat

1. TYPE OF WELL  
OIL WELL ☒ GAS WELL ☐ OTHER ☐

2. NAME OF OPERATOR:  
Liberty Pioneer Energy Source

3. ADDRESS OF OPERATOR:  
1411 East 840 North Orem UT 84097 PHONE NUMBER:  
(970) 769-4187

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: 1821 FNL, 1922 FWL

COUNTY: Sanpete

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SE NW 31 15S 3E

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER:
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Liberty Pioneer Energy Source, drilled 12 1/4 hole to 1510 and ran new 8 5/8" X 24# J55 surface csg to 1510' and circ cmt to surface, drilled 7 7/8 hole to 5017', ran new 5 1/2" X 17# N80 csg to 5017' and circ cmt to surface, Perforated and tested Entrada intervals 4504-4524, 3972-3982, 3813-3823, 3550-3560, set CIBP @ 3500' with 50' cmt top 3450, Perforated Green River 2820-2830, no hydrocarbons or water, Proposed Plugging for well  
TOP of Curtis 2830, TOP of Entrada 3113  
3450 to 2930 2% kcl water with corrosion inhibitor  
2930 to 2730 (Green River Perforations 2820-2830) 25 sks type two cmt  
2730 to 1600 2% kcl water with corrosion inhibitor  
1600 to 1400 ( btm surface csg plug) 25 sks type two cmt  
1400 to 50 2% kcl water with corrosion inhibitor  
50 to surface 10 sks type two cmt  
4" X 8' dry hole marker with well identification welded on marker, 4' of marker above surface  
Plugging well is scheduled on April 18, 2006

RECEIVED  
DATE: 4-28-06  
BY: CH

NAME (PLEASE PRINT) Duane C Winkler TITLE Agent  
SIGNATURE dcw DATE 4/12/2006

(This space for State use only)

APPROVED BY THE STATE  
OF UTAH DIVISION OF  
OIL, GAS, AND MINING  
DATE: 4/14/06  
BY: D. Winkler (See Instructions on Reverse Side)

(5/2000)

E-D

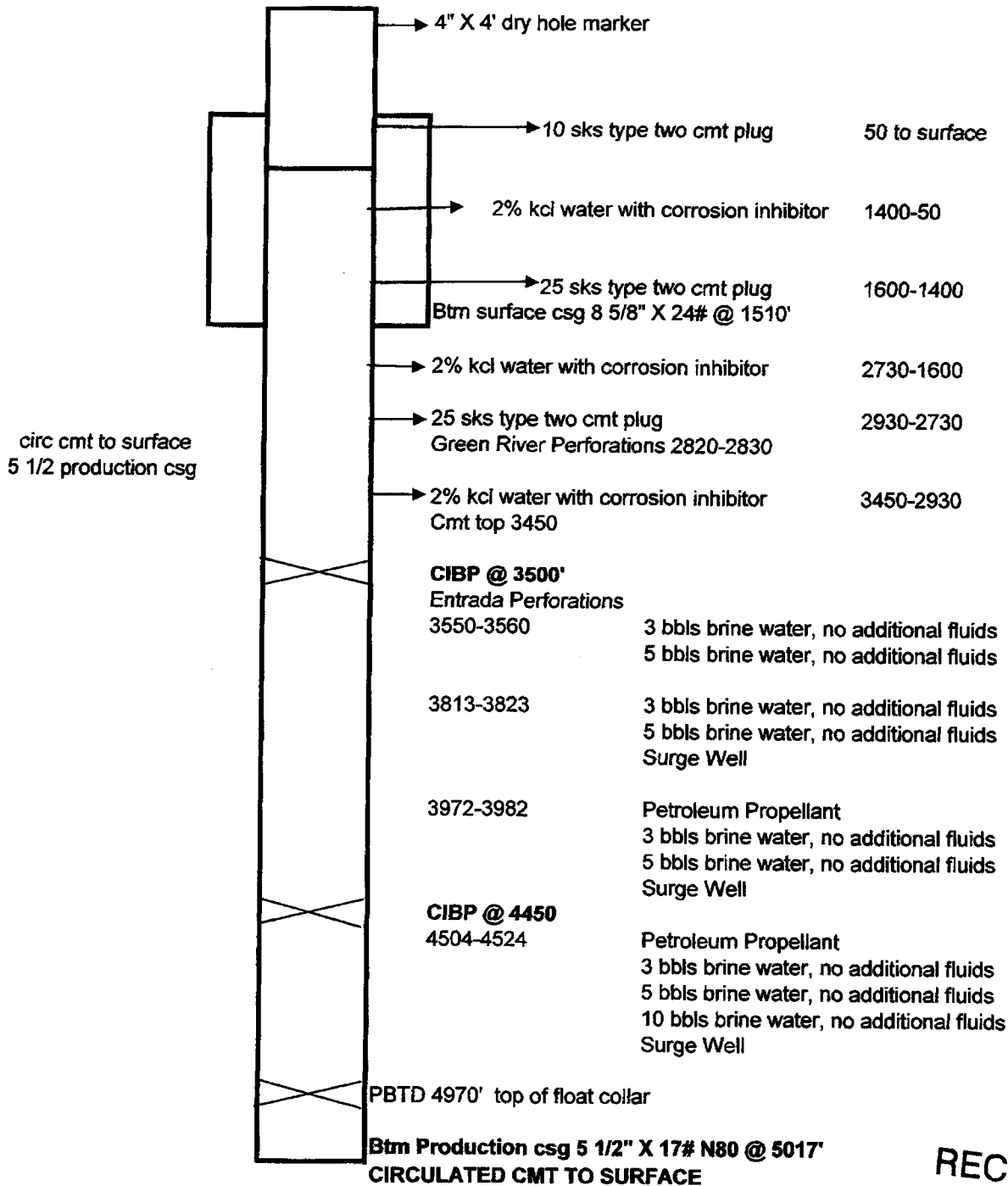
\* See conditions of approval (Attached)

RECEIVED  
APR 13 2006  
DIV. OF OIL, GAS & MINING

APR 12 06 08:31P

CONFIDENTIAL

**LIBERTY PIONEER ENERGY INC**  
**Lamb Trust # 31-6 API # 4303930027**  
**Well Bore Schematic**



RECEIVED

APR 13 2006

DIV. OF OIL, GAS & MINING



**State of Utah**

**Department of  
Natural Resources**

MICHAEL R. STYLER  
*Executive Director*

**Division of  
Oil, Gas & Mining**

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

***CONDITIONS OF APPROVAL  
TO PLUG AND ABANDON WELL***

Well Name and Number: Lamb Trust 31-6  
API Number: 43-039-30027  
Operator: Liberty Pioneer Energy Source  
Reference Document: Original Sundry Notice dated April 12, 2006,  
received by DOGM on April 13, 2006

**Approval Conditions:**

1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Dan Jarvis at 801-538-5338.
2. Surface reclamation shall be done in accordance with R649-3-34 – Well Site Restoration. Evidence of compliance with this rule should be supplied to the Division upon completion of reclamation.
3. All balanced plugs shall be tagged to ensure they are at the depths proposed.
4. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.
5. If there are any changes to the plugging procedure or the wellbore configuration, notify Dustin Doucet at 801-538-5281 (office) or 801-733-0983 (home) prior to continuing with the procedure.
6. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.

Dustin K. Doucet  
Petroleum Engineer

April 14, 2006

Date

## Wellbore Diagram

API Well No: 43-039-30027-00-00

Permit No:

Well Name/No: LAMB TRUST 31-6

Company Name: LIBERTY PIONEER ENERGY SOU

Location: Sec: 31 T: 15S R: 3E Spot: SENW

Coordinates: X: 445749 Y: 4368942

Field Name: WILDCAT

County Name: SANPETE

## String Information

String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)
HOL1	1510	12.25		
SURF	1510	8.625	24	1510
HOL2	5017	7.875		
PROD	5017	5.5	17	5017

Capacity  
(ft cf)

7.661

Plug 3  
 $(105 \times) (1.18) (7.661) = 90'$  ✓

Cement from 1510 ft. to surface

Surface: 8.625 in. @ 1510 ft.

Hole: 12.25 in. @ 1510 ft.

## Cement Information

String	BOC (ft sub)	TOC (ft sub)	Class	Sacks
PROD	5017	0		
SURF	1510	0		

Plug 2  
 $25 \times = \pm 225'$   
 TOC @ 1375' ✓ \* Tag Plug

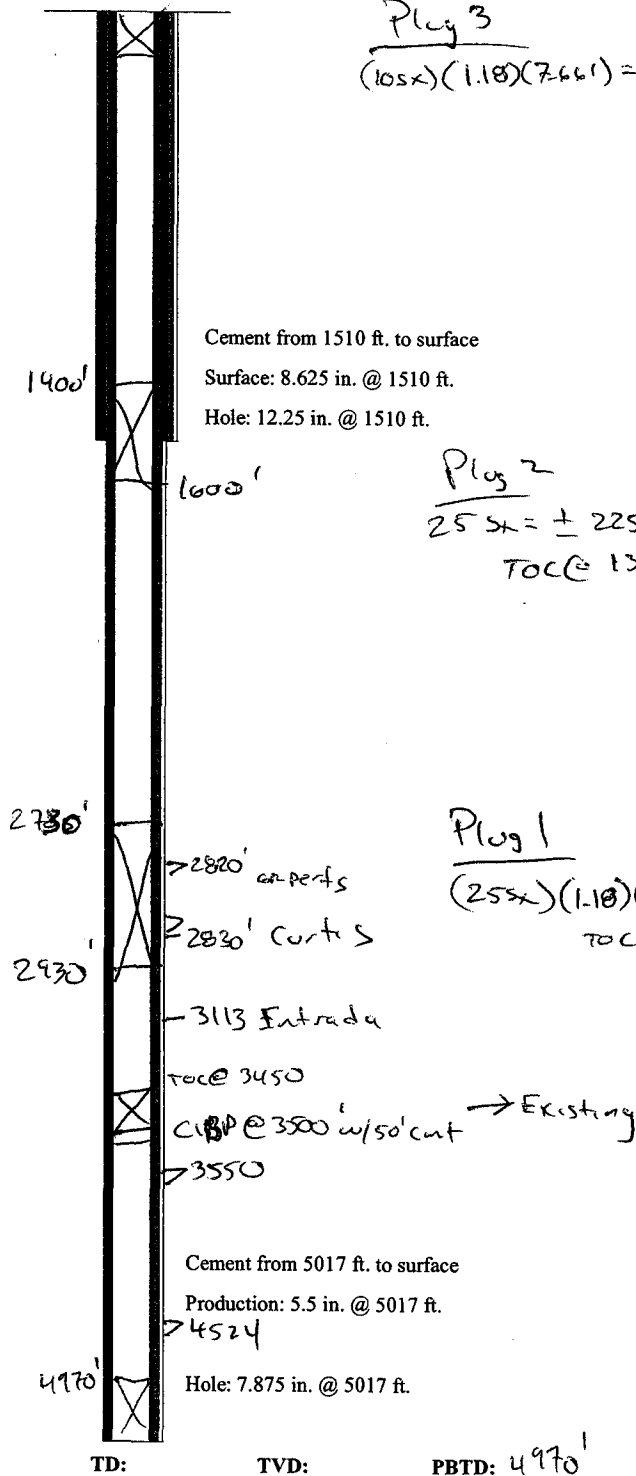
## Perforation Information

Top (ft sub)	Bottom (ft sub)	Shts/Ft	No Shts	Dt Squeeze
3550	4524			
2820	2830			

Plug 1  
 $(25 \times) (1.18) (7.661) = 225'$  ✓ \* Tag Plug  
 TOC @ 2705'

## Formation Information

Formation	Depth
CURT	2830
ENRD	3113



STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: Liberty Pioneer Energy Source		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1411 East 840 North CITY Orem STATE UT ZIP 84097		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (435) 283-3040		8. WELL NAME and NUMBER: Lamb Trust 31-6
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1821 FNL 1922 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENW 31 15S 3E		9. API NUMBER: 4303930027
COUNTY: Sanpete		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

April 18, 2006 well was plug and abandon as follows, State inspector Mark Jones witnessed plugging of well

Surface--75	8.4 sks class G cmt with dry hole marker
75--1360	2% kcl water with corrosion inhibitor
Tag cmt plug	
1360--1614	25 sks class G cmt
1614--2730	2% kcl water with corrosion inhibitor
Tag cmt plug	
2730--2926	25 sks class G cmt
2926--3450	2% kcl water with corrosion inhibitor
3450--3500	5 sks class G cmt
CIBP @ 3500	

NAME (PLEASE PRINT) Duane C Winkler	TITLE Agent
SIGNATURE 	DATE 4/27/2006

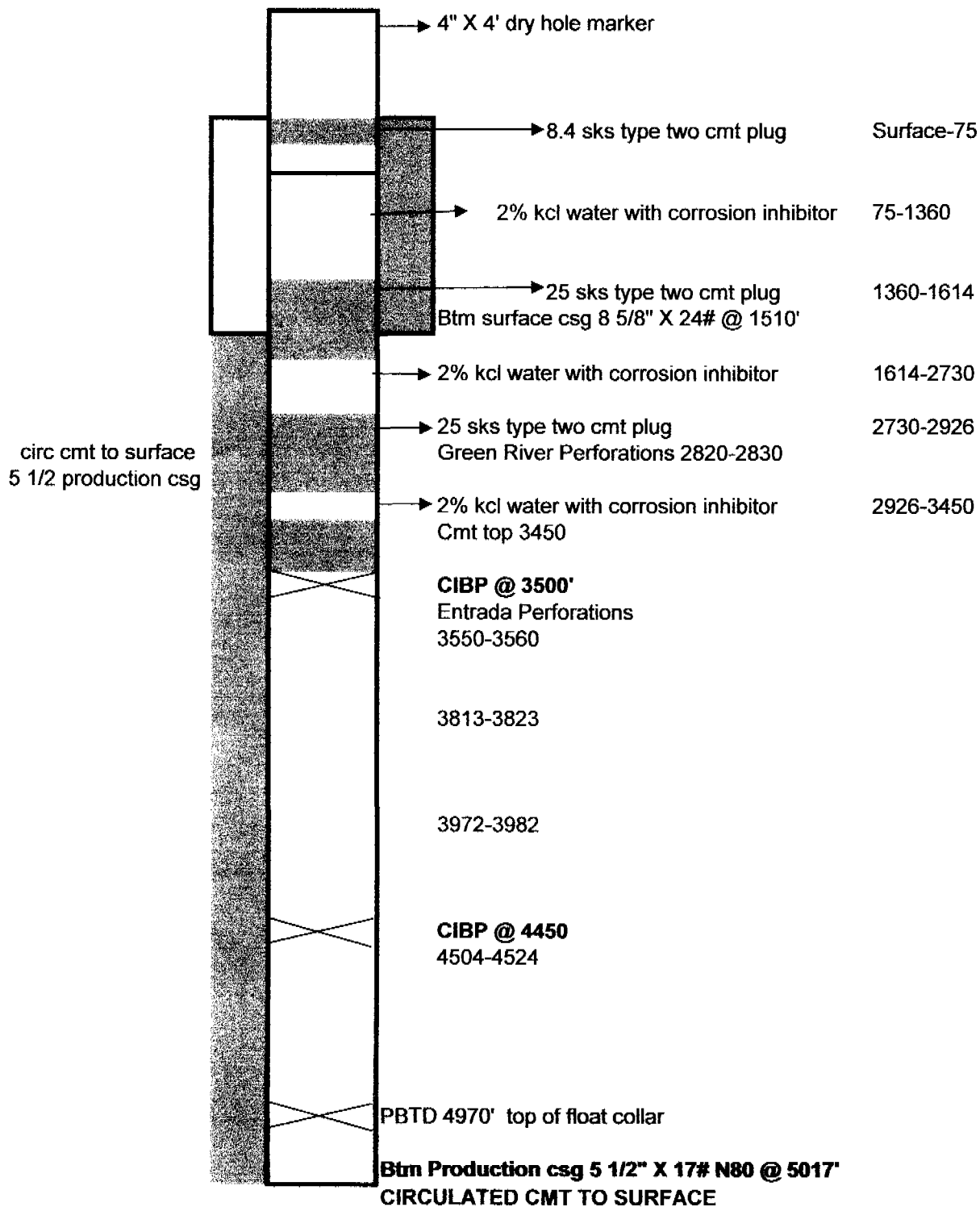
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MAY 01 2006

DIV. OF OIL, GAS & MINING

LIBERTY PIONEER ENERGY INC  
 Lamb Trust # 31-6 API # 4303930027  
 Plug and Abandon Well Bore Schematic





## FORM 8

## DIV. OF OIL, GAS & MINING

31. INITIAL PRODUCTION

INTERVAL A (As shown in Item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:

INTERVAL B (As shown in Item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:

INTERVAL C (As shown in Item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:

INTERVAL D (As shown in Item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof. Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Curtis	2,830	3,113		Curtis	2,830
Entrada	3,113	5,016		Entrada	3,113

35. ADDITIONAL REMARKS (Include plugging procedure)

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Duane C Winkler

TITLE Agent

SIGNATURE 

DATE 4/27/2006

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation

- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

\* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

\*\* ITEM 24: Cement Top - Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: Liberty Pioneer Energy Source		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1411 East 840 North CITY Orem STATE UT ZIP 84097		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (435) 283-3040		8. WELL NAME and NUMBER: Lamb Trust 31-6
10. FIELD AND POOL, OR WILDCAT: Wildcat		9. API NUMBER: 4303930027

4. LOCATION OF WELL FOOTAGES AT SURFACE: 1821FNL 1922 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENW 31 15S 3E	COUNTY: Sanpete STATE: UTAH
---	--------------------------------

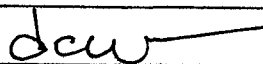
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<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: Additional perms for form 8
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The well was tested as follows

Formation Name	Perforations	Size	NO. Holes	Perforations Status	Tested
Entrada	4504-4524	.41	60	Open	no fluids or hydrocarbons
CIBP @ 4450					
Entrada	3972-3982	.41	80	Open	no fluids or hydrocarbons
Entrada	3813-3823	.41	20	Open	no fluids or hydrocarbons
Entrada	3550-3560	.41	20	Open	no fluids or hydrocarbons
CIBP @ 3500					
Green River	2820-2830	.41	20	25 sks Cmt closed	no fluids or hydrocarbons

NAME (PLEASE PRINT) Duane C Winkler	TITLE Agent
SIGNATURE 	DATE 4/27/2006

(This space for State use only)

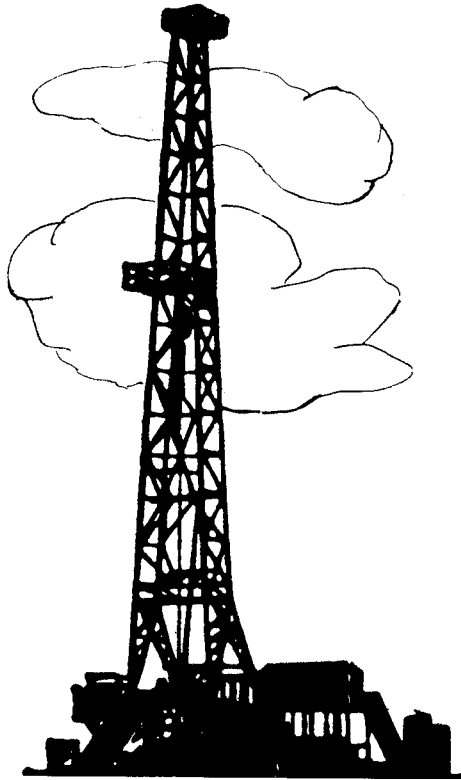
RECEIVED

MAY 01 2006

DIV. OF OIL, GAS & MINING

4303930027  
15 3E 31

CONFIDENTIAL



# ***REBEL TESTING, INC.***

## **Drill Stem Test Report**

Box 296  
Gillette, WY 82717

Phone  
(307) 682-9626

# Rebel Testing, Inc.

Providing quality testing services since 1991

Formation Evaluation  
And Test Reporting by:



Ph: (928) 505-8389

Fax: (928) 505-8393

Website: [www.datareporting.net](http://www.datareporting.net)

E-Mail: [info@datareporting.net](mailto:info@datareporting.net)

In making any interpretation, our employees will give the customer the benefit of their best judgment as to the correct interpretation. Nevertheless, since all interpretations are opinions based upon inferences from electrical, mechanical or other measurements, we cannot and do not guarantee the accuracy or correctness of any interpretation. And we shall not be held liable or responsible, for any loss, costs, damages or other expenses incurred by the customer resulting from any interpretation made by any of our agents or employees.

Gillette WY  
Ph (307) 682-9626

# REBEL TESTING, INC.

Technical Services  
(888) 389-8389

<b>Contractor</b> Union Drilling <b>Rig No.</b> 32 <b>Spot</b> SE/NW <b>Sec</b> 31 <b>Twp</b> 15 S <b>Rng</b> 3 E <b>Field</b> Wildcat <b>County</b> Sanpete <b>State</b> Utah <b>Elevation</b> <b>Formation</b> Entrada	<b>Surface Choke</b> 3/4" <b>Bottom Choke</b> 3/4" <b>Hole Size</b> 7 7/8" <b>Core Hole Size</b> <b>DP Size &amp; Wt</b> 4 1/2" 16.60 <b>Wt Pipe</b> <b>ID of DC</b> 2 3/8" <b>Length of DC</b> 430' <b>Total Depth</b> 3164' <b>Type of Test</b> Open Hole Dst <b>Interval</b> 3113'- 3164'	<b>Mud Type</b> LSND/Poly <b>Weight</b> 9.0 <b>Viscosity</b> 40 <b>Water Loss</b> 8.8 <b>Filter Cake</b> <b>RW</b> .6 @ 60 Deg F <b>B.H.T.</b> 11,638 Ppm <b>110.0</b> Deg F <b>Co. Rep.</b> Neil Walker <b>Tester</b> Bob Hammond																				
<b>Pipe recovery:</b> 80' Mud = 0.44 bbl.  Top sample rw: .20 @ 74 deg f/31,374 ppm NaCl. Middle sample rw: .15 @ 75 deg f/42,803 ppm NaCl. Bottom sample rw: .15 @ 75 deg f/42,803 ppm NaCl.  <b>Surface blow:</b> Pre-Flow: Began with a 2 1/2" blow, decreased to 1/2" in 2 minutes, surface bubbles in 5 minutes, died in 6 minutes and remained thru flow period. Final Flow: Began with surface bubbles, died in 2 minutes. Intermittent surface bubbles at 7 minutes and 10 minutes.  <b>** Remarks:</b> The pressure data indicates the probability of slight tool slippage and possibly communications occurring during both shut-in periods.		<b>Pressure in Sampler</b> 10 psig <b>Volume of Sampler</b> 2600 cc <b>Volume of Sample</b> 2600 cc <b>Oil:</b> 0 cc <b>Water:</b> 500 cc <b>Mud:</b> 2100 cc <b>Gas:</b> 0 cu ft <b>Other:</b> 0 <b>Gravity</b> API @ 60 Deg F <b>Gas/Oil Ratio</b> <b>Rw:</b> .12 @ 62 deg f/.07 @ res temp <b>Chlorides:</b> 67,903 ppm NaCl.																				
		<b>Opened Tool @</b> 05:55 hrs on 01-12-06  <table border="1"> <thead> <tr> <th></th> <th>Reported</th> <th>Corrected</th> <th></th> </tr> </thead> <tbody> <tr> <td>Flow 1</td> <td>45</td> <td>44</td> <td>min</td> </tr> <tr> <td>Shut-in 1</td> <td>30</td> <td>31</td> <td>min</td> </tr> <tr> <td>Flow 2</td> <td>30</td> <td>31</td> <td>min</td> </tr> <tr> <td>Shut-in 2</td> <td>120</td> <td>118</td> <td>min</td> </tr> </tbody> </table>		Reported	Corrected		Flow 1	45	44	min	Shut-in 1	30	31	min	Flow 2	30	31	min	Shut-in 2	120	118	min
	Reported	Corrected																				
Flow 1	45	44	min																			
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Shut-in 2	120	118	min																			
<b>Downhole Pressure Chart</b> 		<b>Gauge Type</b> Electronic <b>No.</b> 30049 <b>Cap</b> 10000 psi <b>Depth</b> 3093 ft <b>Inside</b> X <b>Outside</b> <b>Initial Hydrostatic</b> A 1535 <b>Final Hydrostatic</b> K 1507  <b>Initial Flow 1</b> B 52 <b>Final Flow 1</b> C 78 <b>Initial Flow 2</b> E 84 <b>Final Flow 2</b> F 112  <b>Shut-in 1</b> D 1040 * <b>Shut-in 2</b> G 1514 *																				

COMPANY LIBERTY PIONEER ENERGY  
LEASE NAME & NO LAMB TRUST #31-6  
INTERVAL TESTED 3113'- 3164'

COUNTY SANPETE  
STATE UTAH  
FORMATION ENTRADA

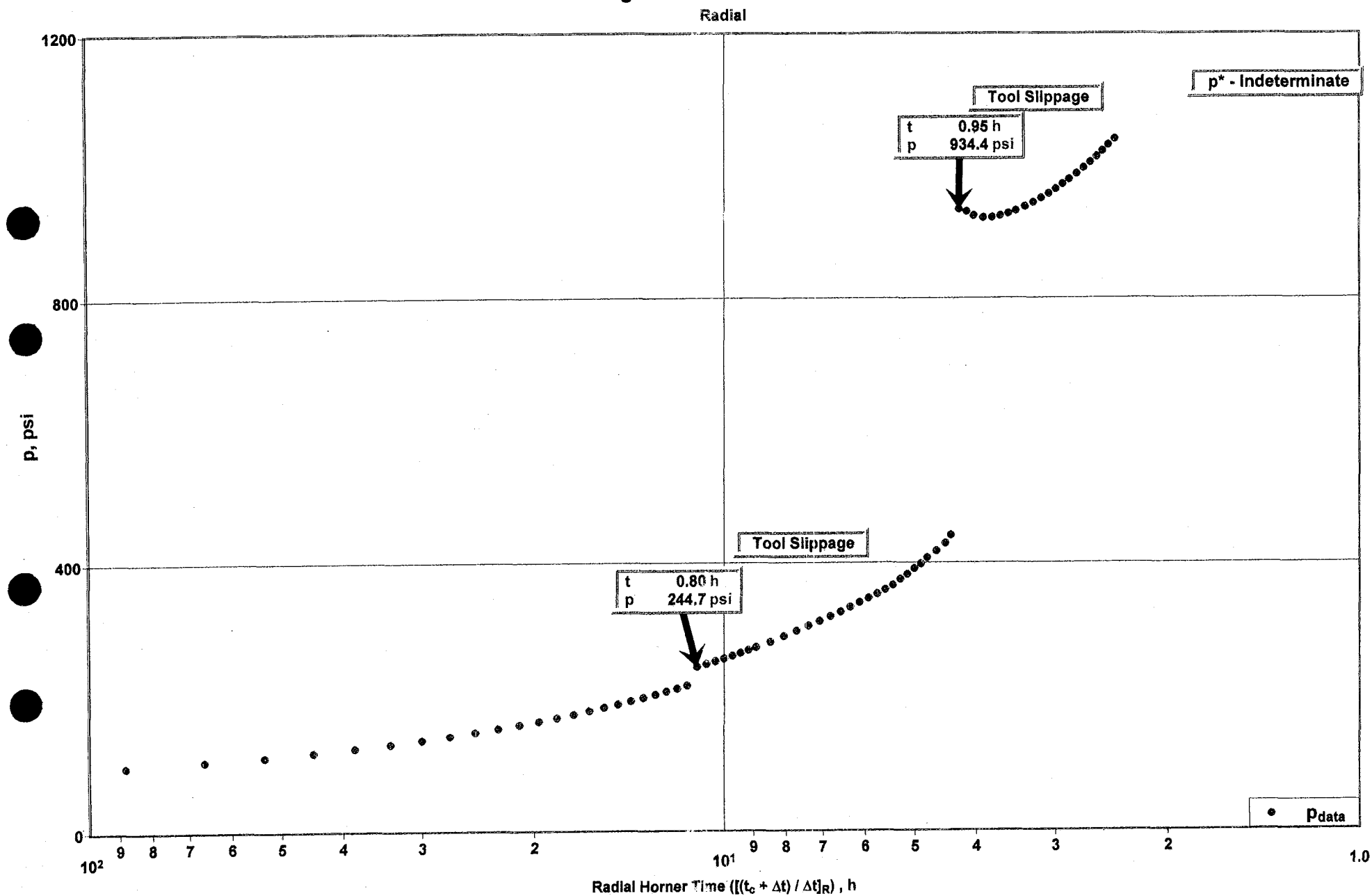
DATE 01-12-2006  
TICKET # 2340  
TEST # 1



RECEIVED

MAY 01 2006

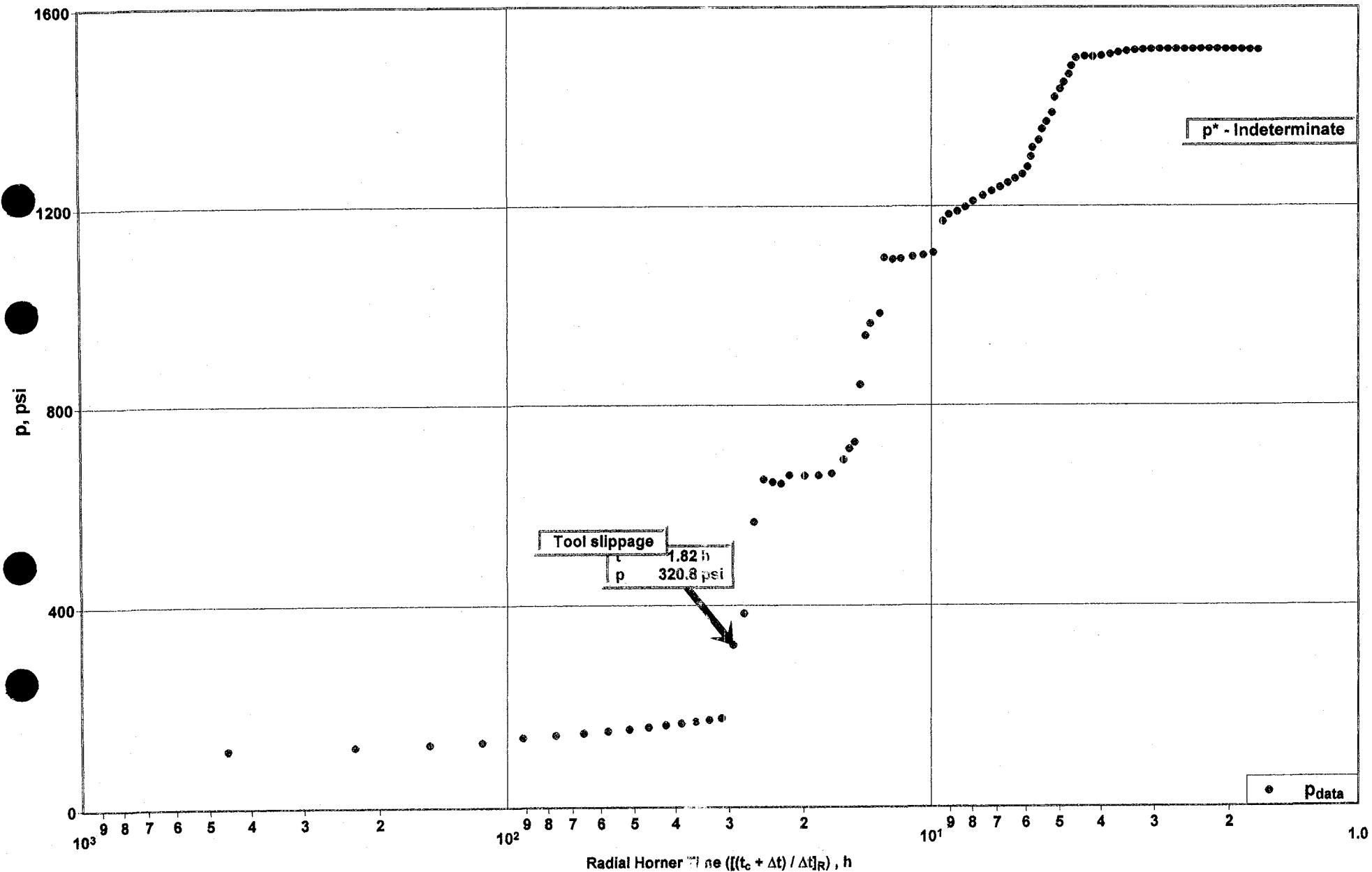
DIV. OF OIL, GAS & MINING



# Diagnostic Plot - Shut In 2

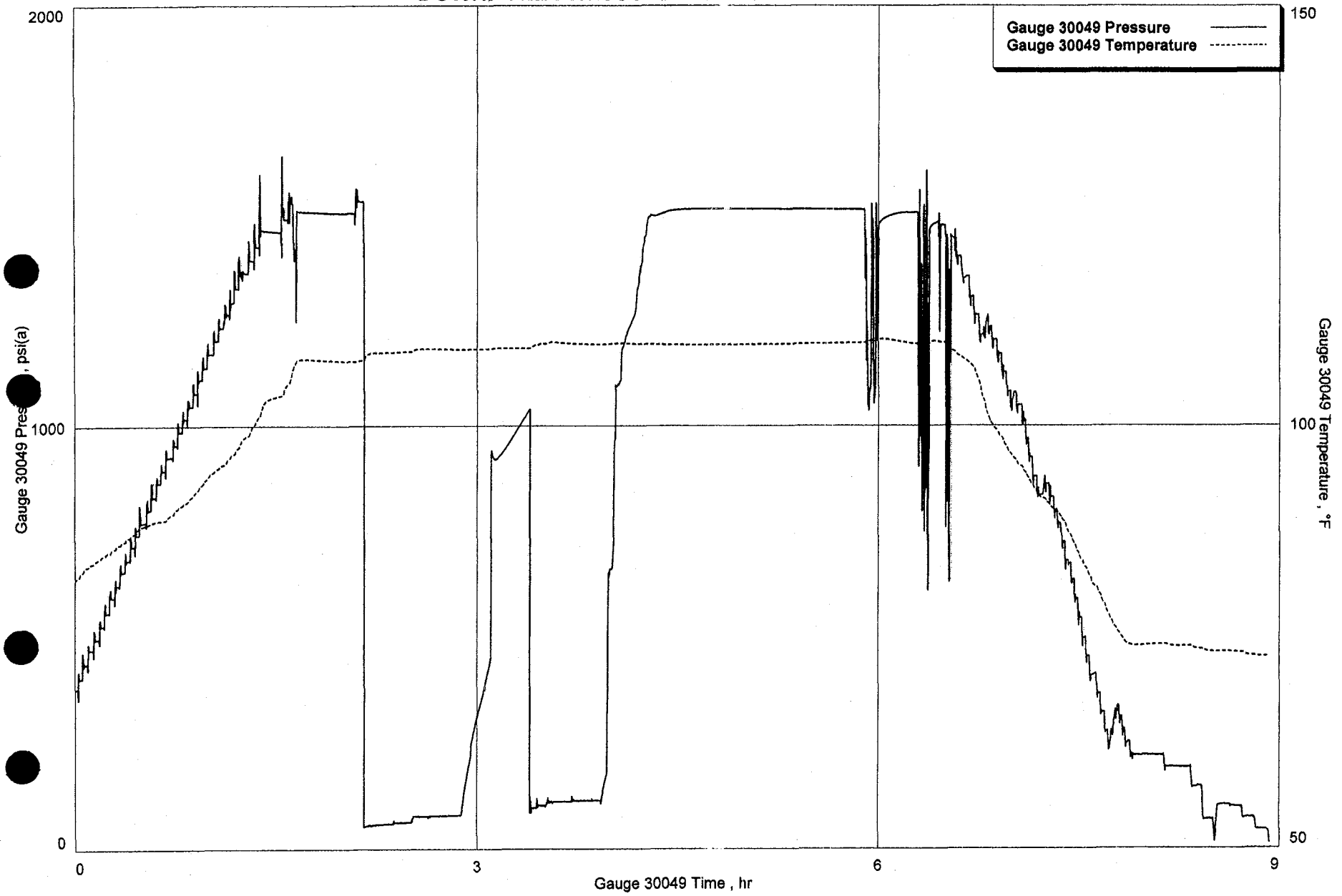
Radial

Entrada  
3113'-3164'





# DOWNHOLE PRESSURE/TEMPERATURE CHART



Company:  
Lease Name & No:

Liberty Pioneer Energy  
Lamb Trust #31-6

## DISTRIBUTION OF FINAL REPORTS

Liberty Pioneer Energy [5 + Disk]  
Bldg "C", Ste 2300  
1527 N. Technology Way  
Orem UT 84097

# GUIDE TO IDENTIFICATION AND INTERPRETATION OF DST DATA:



Initial Hydrostatic:

The hydrostatic pressure increases as the test tool is lowered in the well. After reaching the intended test interval the packer is set, the hydraulic tool is opened and the test zone is opened to atmospheric. This happens almost instantaneously and the pressure drop is recorded. This is called the pre-flow period. The purpose is to relieve the hydrostatic pressure from the annular space within the tested interval.



Pre-Flow Period:

The duration of the pre-flow period can be determined by the surface blow according to the following:

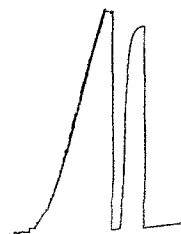
- Approximately 5 minutes in duration if the permeability is estimated to be greater than 15 md.
- Approximately 10 minutes in duration if the permeability is estimated to be less than 15 md.

If the pre-flow period is too short the hydrostatic pressure will not be dissipated and the following shut-in period may be under the influence of "hydrostatic super-charge" effect.



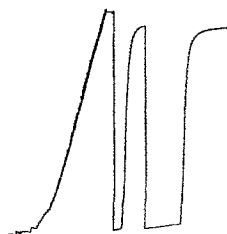
Initial Shut-in Period:

When the pre-flow period is completed the tool is closed and the reservoir pressure is allowed to build. This is called the initial shut-in period. The purpose is to record the initial reservoir pressure before any production has occurred. It is important to have an initial shut-in period long enough to extrapolate a maximum reservoir pressure.



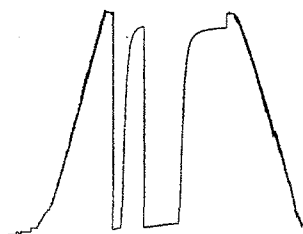
Second Flow Period:

When the initial shut-in period is completed the tool is again opened. This is called the second flow period. The purpose is to allow reservoir fluid and gas to enter the drill string. Analysis of the final flow data will help to determine the flowing capabilities of the tested reservoir. Depending on conditions, when the tool is opened the pressure will drop from reservoir pressure to the pre-flow pressure and will record the weight of the formation fluid entering the drill string. If gas is present the flowing pressure will reflect the upstream pressure of the gas flow. The duration of the final flow period should be approximately 60 to 180 minutes depending on conditions and estimated permeability. If gas flows to surface a stabilized measured rate is desirable for proper reservoir evaluation.



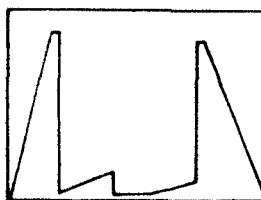
Second Shut-in Period:

When the second flow period is completed the tool is again closed. This is called the second shut-in period. The purpose is to measure the reservoir pressure after a certain amount of production has occurred. Proper evaluation of the second shut-in data will help determine Skin Damage, Permeability, Radius of Investigation and other reservoir properties limitations or anomalies.

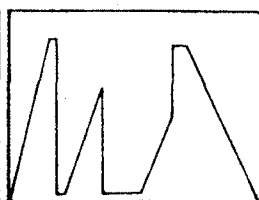


Final Hydrostatic:

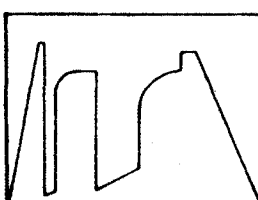
When the second shut-in period is completed the packer is released which allows drilling fluid to flow from the hole back in to the test zone and the hydrostatic pressure is then recorded. Because the pressure is equalized the packer can be easily removed from the packer seat. As the test tool is pulled from the well the hydrostatic pressure decreases to atmospheric pressure.



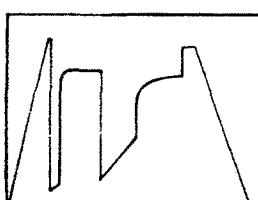
Virtually No Effective Permeability



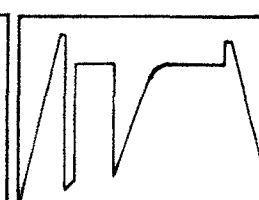
Slightly Higher Permeability



Average Permeability



High Permeability



Excellent Permeability

43-039-30027

**SATISFACTION OF OBLIGATIONS FOUND  
IN SURFACE DAMAGE AGREEMENT DATED SEPTEMBER 13, 2005**

The purpose of this letter is to release Liberty Pioneer Energy Source (LIBERTY) from any claim that The Ben Glade Lamb Family Living Trust (LAMB) surface owner may have according to the Surface Damage Agreement dated September 13, 2005 between LAMB and LIBERTY.

The Lamb 31-6 well has been plugged and abandoned according to Utah State Division of Oil, Gas, and Mining requirements, and was approved by Mark Jones (state engineer).

The drilling location has been reclaimed and restored to LAMB specifications, and was completed in a timely manner. At LAMB request the road and pad have not been reclaimed so that LAMB may have the road and pad for personal use. LAMB has viewed, approved of, and is satisfied with the location as it is, and hereby releases Liberty Pioneer Energy Source from any future liability.

LAMB agrees that the obligations found in September 13, 2005 Surface Damage Agreement have been satisfied and hereby releases LIBERTY from all claims occasioned by or arising out of the obligations found in said agreement.

LAMB is signing this agreement by his own will, and has not been pressured by Liberty Pioneer Energy Source to do so.

Signed this 16 day of October, 2006.

Scott D. Lamb, Trustee  
Scott D. Lamb, Trustee

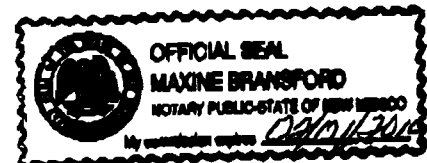
The Ben Glade Lamb Family Living Trust, Lessor and Surface Owner

STATE OF New Mexico )  
COUNTY OF Santa Fe ) ss.

The foregoing instrument was acknowledged before me this 16 day of October, 2006, by Scott D. Lamb, Trustee of The Ben Glade Lamb Family Living Trust.

WITNESS MY HAND AND OFFICIAL SEAL.

My commission expires: 02/01/2010



Maxine Bransford  
Notary Public

RECEIVED

DEC 27 2006

DIV. OF OIL, GAS & MINING